1. Background

Ethiopia has been one of the most important refugee hosting countries for decades with the sixth largest refugee population in the world and the second-largest refugee population in Sub-Saharan Africa. As of September 2018, Ethiopia hosts approximately 906,000 refugees. Nearly half of them arrived in the last five years from South Sudan (422,000), with the other half coming at different times from Somalia (257,000), Eritrea (174,000), and Sudan (45,000). Refugees from these four nations tend to settle close to their country of origin, with the overwhelming majority living in the 26 camps across the country.

Ethiopia formally adheres to international and regional instruments of refugee protection and has adopted national policies consistent with international standards. It signed and ratified the 1951 UN Convention Relating to the Status of Refugees, the 1967 Protocol, and the 1969 Organization of African Unity Convention Governing Specific Aspects of Refugee Problems in Africa. Domestically, the country’s traditional refugee policy (based on Refugee Proclamation No. 409/2004) entails an open-door policy to refugees, a commitment for safe reception, as well as limited socio-economic rights in terms of restricting refugees’ freedom of movement and their ability to legally be part of the labor force. Camps are separated from the social and economic life of host communities and are mostly dependent on aid.

The Government of Ethiopia (GoE) has recently shifted its approach to refugee policies and the international community is supporting these efforts. In 2010, the introduction of an ‘Out-of-Camp’ (OCP) scheme allowed Eritrean refugees who either have the means to support themselves or are sponsored by a family member to apply to live in urban areas. Further, in line with the New York Declaration for Refugees and Migrants of 2016 and the launch of the global Comprehensive Refugee Response Framework (CRRF), the GoE articulated a strategic approach in a series of Nine Pledges aimed at improving rights and expanding services to benefit both refugees and host communities, including expanding the OCP scheme. In January 2019, Ethiopia formally adopted a new legal framework that embodies an inclusive approach on refugees and host communities. The law opens the way to a new phase centered around social and economic integration of refugee groups in Ethiopia. Finally, on the strategic side, the soon-to-be-approved GoE’s National Comprehensive Refugee Response Strategy (NCRRS) proposes a long-term vision for a more comprehensive and sustainable response to displacement crises that goes beyond care and maintenance of refugees towards promoting their self-reliance. This approach combines wider support to host communities and fostering peaceful coexistence and greater inclusion of refugees into national development plans.¹

¹ The GoE’s refugee pledges and National Comprehensive Refugee Response Strategy (NCRRS) outline a long-term vision to shift from a mainly camp-based approach toward refugee assistance to an approach that includes Out-of-
Against this background, the GoE’s Agency for Refugee and Returnee Affairs (ARRA) has requested the World Bank to conduct a study on local integration to support operationalization of the pledges articulated by the GoE and related to local integration. As part of a WB Advisory Services and Analytics (ASA) program to support the refugee agenda in Ethiopia, a study on socio-economic integration is currently being conducted.

2. Socio-Economic Integration Study: Scope and Objective

The World Bank is supporting the GoE’s refugee agenda through an Advisory Services and Analytics (ASA) program. As part of this ASA work program, the study “Toward Local Integration: Socio-Economic Integration of Refugees with Host Communities in Ethiopia” (hereafter, ‘socio-economic integration study’) is meant to support the GoE’s effort to shift from a mainly camp-based approach toward refugee assistance to an approach centered around freedom of movement, economic self-reliance through sustainable livelihoods, and refugee integration into national and regional systems over time and in line with GoE’s pledges in these sectors. The overarching objective is to ease pressure on Ethiopia as a major hosting country of refugees by proposing and devising more efficient and sustainable solutions that target both refugees and host communities.

The socio-economic integration study is intended to support the GoE’s Agency for Refugee and Returnee Affairs (ARRA) in its mandate to support operationalization of the pledges related to local integration. The study will provide an analysis of factors for and development instruments of local integration in different contexts, and present related evidence. The study’s output is a set of priority development interventions to support socio-economic integration in Ethiopia’s refugee-hosting regions. Specifically, the study is expected to feed into ARRA’s design and implementation of local integration by identifying policy gaps and priority actions, and by providing examples and evidence to support the preparation of regional ‘Action Plans’ that stem from the GoE’s 10-year NCRRS.

To achieve this outcome, the study will analyze de facto experiences of socio-economic integration, retracing the factors that were conducive to integration as well as the obstacles to it. At the local level, the study seeks to understand what fosters local absorption of refugees. Given different experiences of socio-economic integration in refugee-hosting regions, the study will explore the factors that explain those differences and that account for a variation in integration outcomes. Region-specific assessments (i.e. “case study”) of the current level of integration of refugees with host communities will provide the evidence for development planning: identifying gaps and barriers to integration serves to point out development responses and policy recommendations to strengthen the integration process. Setting

Camp (OCP) and economic self-reliance. Specifically, Pledge#1 on OCP and Pledge #6 on local integration underline these commitments. Pledge#1 “expands the OCP to all nationalities hosted by Ethiopia. Thus, almost 75,000 eligible-refugees will have permission to reside in rural and urban non-camp locations” (ARRA, 2017: 8). Pledge #6 on local integration (“Allowing for local integration for those protracted refugees who have lived for 20 years or more in Ethiopia”), targets a minimum of 13,000 refugees, but has wider ambitions (ARRA, 2017: 13). While a specific pledge is dedicated to local integration, all other pledges have obvious overlaps with a local integration goal, which encompasses issues of livelihoods and employment, service delivery, documentation, financial inclusion, and social inclusion. The focus on refugee-host community “people to people relations” is at the core of this approach – as underlined in the NCRRS. The latter is centered around the ultimate goal of attaining “socio-economic integration of refugees and host communities by 2027” through the pursuit of integrated systems for service delivery and livelihood means and economic opportunities for refugees and host communities leading to self-reliance (Federal Democratic Republic of Ethiopia, 2018: 12)
practical and viable priority actions to be adopted by national and local governments, partners, and stakeholders represents the final expected outcome.

Given the wide sectoral scope of the study, the activity is jointly conducted by the World Bank, the UN Refugee Agency (UNHCR), the International Labor Organization (ILO) and the International Finance Corporation (IFC). The joint set-up of the study between development partners seeks to maximize organizations’ comparative advantages, strengthen synergies, propose a cohesive support to the refugee agenda in Ethiopia, and it also ensures risk-sharing and elevates the visibility of the study.

3. Case Study Approach

The socio-economic integration study will be centered around a series of two to three case studies at either regional or sub-regional level to inform development approaches on socio-economic integration and to provide with a number of possible ‘scenarios’ or ‘options’ for other regions. The framing and the provision of ‘scenarios’ / ‘options’ for integration ensures flexibility in adapting development approaches on socio-economic integration to different contexts. Ultimately, on the one hand, the case studies inform development plans on socio-economic integration in the regions of the case studies; on the other hand, they serve to build a flexible methodology of development plan on socio-economic integration in the other refugee-hosting regions. For each of the latter regions (i.e. not analyzed by a case study), there will not be one single option, but there will be a number of scenarios or options to devise development approaches on socio-economic integration.

The first case study will be in the Jigjiga area of Somali regional state and the selection of the other case studies’ location will be based on certain criteria. The first one is where there is a current conducive environment for integration, including cases where there is a high degree of social and economic interaction between refugees and hosts. Second, the selection aims at emphasizing stark contrast between cases in order to capture a wide variety of socio-economic integration’s situations and different refugee groups. Emphasis will be placed on areas and regions that not only are affected by forced displacement, but also where development needs of host communities are priority. Assessment for case study location will be done by the joint team through assessing pros and cons, but ultimate decision rests with ARRA and the GoE. Synergies and complementarities with other socio-economic integration activities in the same regions by partners will be ensured.

4. Assignment

This consultancy will have as its main objective to conduct one case study on refugee-host socio-economic integration in the Jigjiga area in the Somali regional state. The assignment envisages one Lead and one Local Consultants to work as a team to conduct the case study on socio-economic integration in the Jigjiga area. The consulting assignment may be extended at a later stage to include one additional case study among the Ethiopian refugee-affected regional states or sub-region.

The task team is looking for a Local Consultant to support the lead researcher in conducting the case study on socio-economic integration in the Jigjiga area.

5. Objective and Structure of the Case Study
The expected outcome of the case study is an in-depth assessment of region-specific local integration’s factors, conditions and development needs. The findings from the case study will form the basis for proposed development responses in that given region. The final output of the case study is a synthesis report that proposes a set of concrete region-specific recommendations to facilitate socio-economic integration.

Age and gender considerations are cross-cutting dynamics that shall be included in the analysis and assessment of integration and in the proposed development actions. Similarly, the agency, voice and participation of both refugees and host community members shall be included when designing and conducting the case study.

The case study has the following five focus areas (See Annex 1 for a tentative outline).

1. **Assessment of current level of integration.** Baseline assessment of current level of integration of refugees with host communities, including access and usage of services, economic opportunities, and social interactions. This is done through the analysis of living standards, mapping skills level and preferences of refugees and local communities. Goal is to identify gaps. This assessment includes also a mapping and stocktaking of current activities, including local development plans.

2. **Factors for integration.** Contextual political economy analysis of the conditions for socio-economic integration in Jigjiga, including factors for and barriers to integration. The assessment of incentives and disincentives for integration between the two groups will highlight the overall feasibility of integration plans. Brief analysis of structural factors should be conducted, for example shared identity (language, ethnicity) and kinship systems. An overview of the security situation and how it affects / has affected integration is also relevant.

3. **Dimensions of integration and sectors.** Development needs and key social and economic sectors to be addressed in a socio-economic integration plan, including local development needs. This focus area is geared toward identifying the key ingredients that allow refugees to enhance self-reliance and integrate with host communities. An analysis of refugee and host communities’ development needs includes an assessment of the following specific sectors:
   1. Employment and livelihoods
   2. Financial inclusion
   3. Access to justice and documentation
   4. Housing and land
   5. Infrastructure and services (electricity, water and sanitation)
   6. Social services (health, education)
   7. Natural resource management

Special attention is reserved to assessing: (i) the labor market and opportunities for expanding jobs, livelihoods and income generation opportunities, including creating assets for both refugees and their host communities through public investment works, and developing linkages between employers and refugee populations; (ii) opportunities to engage private sector actors and their role in integration; (iii) the legal dimensions of socio-economic integration, which will provide the legal underpinnings that are required to enact integration;
and (iv) the implications that socio-economic integration may have on refugee protection and on the level of assistance that refugees currently have access to.

4. **Capacity assessment.** An assessment of the capacity of local implementers, including coordination between different levels (federal, regional, local). At the local level, the objective is to assess local capacity to absorb, manage and integrate refugees. Institutions include regional offices of ARRA and of the Ministry of Labor and Social Affairs (MOLSA), and regional government authorities. Expected outcomes from the capacity assessment include the identification of roles and responsibilities of stakeholders and the proposal of institutional mechanisms to enhance coordination between federal, regional and local levels.

5. **Support to GoE’s development interventions of socio-economic integration.** This consists of a development plan (i.e. a set of development responses and recommendations for priority actions) on how to facilitate and strengthen socio-economic integration in the Jigjiga area. Practical and realistic in nature, the recommendations will concern the specific sectors, how to do integration and discuss the outcomes from the capacity assessments.

6. **Background on local integration in Jigjiga area, Somali regional state**

The Jigjiga area in the Somali region administratively corresponds to the Fafan zone. With an estimated population of 160,000 people, the city of Jigjiga is the capital town of the Somali regional state. This area provides a potentially conducive environment for socio-economic integration. Home to approximately 37,000 Somali refugees, the Jigjiga area includes three refugee camps: Kebrabeyah (14,000 refugees, or 1,950 households, opened in 1991), Aw-barre (12,000 refugees, opened in 2007), and Sheder (11,000 refugees, opened in 2008).

Evidence from this region shows that socio-economic integration in the region is a process that has been taking place organically (and unevenly) through existing social and economic interactions between refugees and host communities. Somali refugees and hosts share several identity-based features, including language, culture, ethnicity and kinship, and in many cases clan too. In some cases, refugees and hosts are differentiated only by where they live, i.e. either in camp or not. Incidentally, there is also reporting of Somali Ethiopian nationals registering as refugees. Ultimately, this points to a high degree of de facto integration between refugees and hosts, reflecting more variety and complexity than allowed for through a binary refugee/host categorization. Despite these de facto practices of integration, development approaches and policy-making on socio-economic integration in Ethiopia are nascent.

Generally, hosts are better off than refugees, though there is variation. For example, refugees have better access to certain services. Social interactions are common place. Intermarriage increasingly takes place. Children and youth are second generation refugees, who were born and raised in Ethiopia: as a consequence, they seem to be more integrated than adults, and less worried about differences. In the economic space, although refugees are not allowed to formally work, there is a high degree of integration too in local markets for foods and garments, livestock production and farming etc.

Nonetheless, the main development challenges in the Jigjiga area seemingly concern both refugees and host communities. Among others, main issues that require attention from policy makers include: job opportunities and income generation, especially for youth; skills training and capacity development; natural resource management system and governance of access to resources for both hosts and refugees,
including land; upgrade and expansion of road infrastructure to stimulate urban-rural market connectivity and provision of quality services.

From the policy side, initiatives to address development needs of refugees and hosts and foster integration have started, including the roll out of the CRRF. In addition, ARRA has begun the registration of potential beneficiaries for local integration (pledge #6): in Kebribeyah, for example, approximately 7,700 refugees have been initially identified as eligible for integration – bearing in mind the voluntary nature of socio-economic integration. The socio-economic integration study is therefore meant to build on and complement these ongoing processes.

7. Deliverables

Deliverables will include: (i) an inception report indicating methodology, work plan and timeline; (ii) a 20-to 30-page case study summarizing findings on socio-economic integration in Jigjiga; (iii) Annexes will include the in-depth analysis presented in the summary (with all components discussed in TOR). All deliverables will be preceded by a complete preliminary draft and will be shared as they become available while work progresses. Final draft should address all feedback provided on first draft. Final draft needs to include a list of consultations held and a bibliography.

The consultants will prepare appropriate material to conduct consultations and reviews, including briefing notes and power point presentations. Together with the task team, the consultants will also prepare a final workshop to present findings and the recommendations for policy actions, including preparation of PPT and other materials.

8. Qualifications

The Local Consultant will have the following qualifications:

- Completion of an advanced degree in political science, political economy, conflict studies, sociology, or a closely related field from an internationally recognized institution of higher learning;
- Demonstrated mixed method research experience on fragility, conflict and violence issues, including forced displacement;
- Demonstrated experience in conducting field research, including consultations, use of interviews and other qualitative research methods;
- Quantitative and qualitative analytical skills;
- Familiarity with a wide array of sectors related to socio-economic integration as highlighted in above project description;
- Previous research experience on either Ethiopia or Somalia;
- Knowledge of English and Somali languages.

9. Supervision arrangements and timeframe

The case study will be completed under overall guidance from Benjamin Petrini (Study Coordinator, World Bank) and Rebecca Lacroix (Task Team Leader, World Bank). The Local Consultant will work directly with
and report to the Lead Consultant who will have overall responsibility over the case study. The consultants will frequently interact with national and local authorities, including the team preparing the regional action plan. The consultants will also work closely with the task team, including members from UNHCR, ILO and IFC, and an economist who will support the case study through quantitative data analysis.

Local Consultant is expected to be hired for approximately 35 days of work during the period March – June 2019.

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<tr>
<th>Number of days</th>
<th>Activity / Output</th>
<th>Timeframe / Deadline</th>
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<tbody>
<tr>
<td>10 (Lead)</td>
<td>-Initial consultations</td>
<td>March 1&lt;sup&gt;st&lt;/sup&gt;-31&lt;sup&gt;st&lt;/sup&gt;</td>
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<tr>
<td>5 (Local)</td>
<td>-Inception report</td>
<td></td>
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<tr>
<td>15 (Lead)</td>
<td>-Fieldwork</td>
<td>April 1&lt;sup&gt;st&lt;/sup&gt;-30&lt;sup&gt;th&lt;/sup&gt;</td>
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<tr>
<td>15 (Local)</td>
<td>-BTOR</td>
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<tr>
<td>20 (Lead)</td>
<td>-First draft</td>
<td>May 1&lt;sup&gt;st&lt;/sup&gt;-31&lt;sup&gt;st&lt;/sup&gt;</td>
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<tr>
<td>10 (Local)</td>
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<tr>
<td>15 (Lead)</td>
<td>-Final draft and final workshop</td>
<td>June 30&lt;sup&gt;th&lt;/sup&gt;</td>
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<td>5 (Local)</td>
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Annex 1: Outline of the Case Study (Tentative)

1. The case study analysis is structured along the following six parts:

   I. *Background.* Mapping of recent and current humanitarian and development activities and key policy literature, including local development plans. Focus is on outcomes and impacts.

   II. *Quantitative assessment of current state of socio-economic integration.* Analysis of refugees and host communities’ standards of living, labor market participation, skills, preferences, access to services and social interactions between refugees and hosts.\(^2\)

   III. *Political economy analysis* to analyze social and economic processes related to integration, including factors that accounted for integration, incentives and constraints, and rapid stakeholder analysis. As part of the PEA, a rapid assessment will be carried out on the challenges, implications and potential consequences on refugee protection and assistance deriving from the implementation of socio-economic integration (UNHCR to lead).

   IV. *Analysis of dimensions and sectors of socio-economic integration, and associated development needs and gaps.* This includes an assessment of each individual sector of socio-economic integration. The analysis of development needs will include access, delivery/quality and identification of gaps and opportunities. This component will include (i) a mapping of labor market opportunities to evidence specific value chains, businesses to be supported and potential skills shortages, and (ii) an assessment of local infrastructure and community asset development needs and priorities (ILO to lead).

   V. *Capacity assessment and role of implementers and stakeholders.* This concerns an analysis of local capacity for integration, an assessment of local implementers and roles, and their relationship with other stakeholders (national, donors etc.).\(^3\)

   VI. *Recommended approaches to facilitate and/or strengthen integration in the selected areas.* Final chapter suggests specific priority actions for development interventions on socio-economic integration and on local economic development.

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\(^2\) The quantitative assessment will be part of the case study, but it will be conducted separately and not be part of this consulting assignment.

\(^3\) In the case of the Ministry of Labor and Social Affairs (MOLSA), the study will assess labor administration and inspection standards, as well as the provision of public employment services.