Mignote Project: Final Report (Year II & Project Summary)

For Submission to:

- The Embassy of the Kingdom of the Netherlands, Addis Ababa
- IATA Registry

Reporting Period: September 1, 2025 – June 30, 2026

Submitted by: EOTC-DICAC and JeCCDO

1. Executive Summary

From Humanitarian Assistance to Sustainable Self-Reliance

For millions of displaced people, humanitarian assistance provides immediate protection but rarely creates lasting pathways toward economic independence. Recognizing this challenge, the Mignote (Aspiration) Project was designed to demonstrate that an integrated graduation approach could bridge the humanitarian-development nexus by enabling refugees, internally displaced persons (IDPs), returnees, and vulnerable host communities to build resilient livelihoods, strengthen social inclusion, and progressively transition toward self-reliance.

Implemented between September 2024 and August 2026 by EOC-DICAC in Addis Ababa and JeCCDO in Debre Berhan, with financial support from the Embassy of the Kingdom of the Netherlands, the project invested €2.1 million in creating durable economic opportunities and strengthening local systems. It targets 621 out-of-camp urban refugees and vulnerable host community members (3,105 individuals) in Addis Ababa and 550 IDPs and host community households (2,750 individuals) in Debre Berhan.

The project employs context-specific strategies tailored to the unique needs of each location. In Addis Ababa, EOC-DICAC applies a comprehensive graduation approach—meeting basic needs, providing financial services, developing livelihoods, promoting social cohesion, and offering continuous mentoring. In Debre Berhan, JeCCDO focuses on integrated livelihood activities complemented by health support, including enrollment in the Community-Based Health Insurance (CBHI) scheme and Psychosocial Support (MHPSS) services.

Remarkable results have been achieved across both locations: In Addis Ababa, real-time monitoring data demonstrates dramatic progress: productive income surged from 2.23% to 64%, savings from 2.40% to 96%, and food security from 1% to 99%. Education reached 98% (from 78.20%), social cohesion rose to 87% (from 53.60%), self-confidence to 99% (from 76.80%), and safety to 84% (from 36.80%). These gains confirm that the graduation approach has successfully addressed the multi-dimensional drivers of poverty, with all targeted households expected to achieve full self-reliance by August 2026.

In Debre Berhan, all 550 women right holders are now engaged in dignified self-employment—a major shift from the 54% who relied on daily labor at baseline. Average monthly income has increased from ETB 3,000 to between ETB 4,500 and ETB 10,000, supported by ETB 8.25 million in startup capital and over ETB 1 million in internal savings. Health access was strengthened through supporting two health centers, enrolling 437 households in CBHI, and delivering MHPSS services. Two schools received critical support, 3,351 reusable sanitary pads were produced and distributed, and 502 vulnerable students received educational materials and school feeding. Institutional capacity building for CBOs, WEEGs, schools, and government partners ensures long-term sustainability.

The project is on track to achieve full self-reliance for all targeted households in both locations by the end of August 2026. Through strong partnerships with government institutions, community structures, and local stakeholders, Mignote has established a solid foundation for sustained poverty reduction, improved well-being, and inclusive community development. The project's dual approach—combining the intensive graduation model in Addis Ababa with integrated livelihood and health interventions in Debre-Birhan—demonstrates the effectiveness of adaptable, context-sensitive programming in building lasting resilience among Ethiopia's most vulnerable populations.

2. Project Overview & Context Update

2.1. Project Information

Item	Description
Project Title	Mignote: Self-reliance and Poverty Alleviation for Displacement-Affected Communities
Implementing Partners	EOTC-DICAC (Component 1), JeCCDO (Component 2)
Original Duration	September 2024 – August 2026
Donor	Embassy of the Kingdom of the Netherlands
Total Budget	€2,100,000 for two years
Budget for Year II	€1,100,000.00 (€771,511.61 for EOTC-DICAC, € 284,300.00 for JeCCDO)
Reporting Period	Year II: September 1, 2024 – August 31, 2026 (Final Project Report)

2.2. Updated Context Analysis

The second year of the Mignote Project was shaped by two distinct yet interconnected operational realities. In Addis Ababa, the policy environment advanced significantly with the launch of a transformative national framework for refugee inclusion. In the Amhara Region, specifically Debre Birhan, the project continued to support internally displaced persons (IDPs) and host communities within a complex humanitarian landscape, working closely with government counterparts to address pressing needs.

Component I: Addis Ababa – Urban Refugee Inclusion

A landmark achievement in Year II was the official launch of the "Makatet" Roadmap on June 18, 2026. This five-year national framework represents the Government of Ethiopia's continued commitment to a progressive, development-oriented approach to refugee management, building upon the foundations of Refugee Proclamation 1110/2019. The roadmap aims to transition from humanitarian assistance toward sustainable, government-led solutions that integrate refugees into national systems, including economic participation and access to essential services.

This policy momentum was reinforced by the successful rollout of the Digital ID for Inclusion programme, which by August 2025 had verified over 176,000 refugees for the national "Fayda" digital ID. This initiative places refugees on a more equitable footing with other residents, enabling access to banking and telecommunications services—a critical step toward self-reliance.

Notwithstanding these achievements, the project operated within an environment of sustained economic pressure. Inflation and currency fluctuation continued to affect household purchasing power and the overall cost of living. The project's interventions—including consumption support and livelihood grants—remained essential in mitigating these impacts for vulnerable refugee and host families. We are grateful for the continued partnership and policy guidance of the Refugee and Returnee Service (RRS) and UNHCR, which have been instrumental in navigating these challenges and advancing inclusion objectives.

Component II: Amhara Region – Debre Birhan IDP and Host Community Support

In the Amhara Region, the operational context for Component II was characterized by ongoing displacement dynamics and the Government of Ethiopia's determined efforts to find sustainable solutions for internally displaced populations.

Displacement in the region has persisted, driven by a combination of factors including localized insecurity and the lingering effects of previous conflicts. The North Wollo Zone, which neighbors Debre Birhan, experienced renewed displacement in early 2026, placing additional pressure on host communities and local services. In Debre Birhan town itself, the Bakelo camp continues to host a significant number of displaced families, all of whom require sustained support.

The government's "Zero IDP Policy" —an ambitious initiative aimed at resolving displacement and ensuring that no Ethiopian remains in IDP status by the end of 2026—has shaped the response landscape. This policy reflects the government's strong commitment to durable solutions, including safe and dignified return, local integration, or relocation. The Mignote Project aligns closely with this vision by providing targeted support to both IDPs and host communities, thereby fostering social cohesion and reducing tensions over scarce resources.

The government, through its relevant institutions, has been actively engaged in coordinating the humanitarian response. However, the funding environment remains constrained, with international resources falling short of assessed needs. This reality underscores the importance of development partners and the private sector aligning their commitments to support government-led initiatives. The project has worked collaboratively with regional and local authorities to ensure that assistance reaches the most vulnerable, recognizing that sustainable solutions require shared responsibility and strong government ownership.

We acknowledge the leadership and dedication of our government partners at all levels, whose commitment to protecting and supporting displaced populations has been unwavering. The Mignote Project remains fully aligned with national policies and priorities, and we look forward to continued collaboration in the year ahead.

Key Policy and Operational Milestones (Year II):

Component	Key Development	Relevance to Project
Component I (Addis Ababa)	Launch of Makatet Roadmap (June 2026)	Provides a policy framework for refugee economic inclusion and self-reliance
Component I (Addis Ababa)	Rollout of "Fayda" Digital ID for refugees	Enables access to banking and services, supporting livelihood activities
Component II (Amhara)	Government's "Zero IDP Policy"	Aligns with the project's goal of supporting durable solutions for displaced populations
Both Components	Persistent inflation and economic pressures	Reinforces the importance of consumption support and livelihood grants

The dynamic operational environment required deliberate adaptive management throughout Year II, effectively operationalizing the risk mitigation strategies outlined in the project proposal.

Component I: Addis Ababa – Urban Refugee Inclusion

- **Makatet Roadmap & Digital ID:** The project leveraged these policy enablers by aligning livelihood interventions with the economic inclusion pillar and engaging proactively with RRS/UNHCR to operationalize new frameworks.
- **Inflation:** The project adjusted consumption support packages and business grant amounts in real-time to reflect rising costs, while accelerating financial literacy training to help right holders manage resources effectively.

Component II: Amhara Region – Debre Birhan IDP & Host Community Support

- **Ongoing Displacement:** The project conducted rapid assessments with local authorities to adjust right holder lists, maintained contingency buffers for unforeseen influxes, and strengthened coordination with woreda-level disaster risk management offices.
- **"Zero IDP Policy" and Data Protocols:** The project aligned M&E frameworks with government priorities on durable solutions, strengthened community-based monitoring systems to inform targeting while respecting government protocols, and maintained constructive dialogue with all levels of government.
- **Funding Constraints:** Prioritized high-impact interventions (multi-purpose cash and livelihood grants), enhanced partner coordination to avoid duplication, and advocated for resource mobilization aligned with the “Makatet” Roadmap.

3. Final Results, Outcomes, and Impact

Component 1: Graduation Approach – Addis Ababa

Outcome 1: Displacement-Affected Households Achieve Improved Self-Reliance and Resilience through the Graduation Approach

During the second year of implementation, the Mignote Project continued to demonstrate that the integrated Graduation Approach is an effective pathway for supporting displacement-affected households to transition from humanitarian assistance towards sustainable self-reliance. By combining livelihoods, financial inclusion, coaching, psychosocial support, and protection services, the project addressed the multiple barriers that limit economic participation among refugees and vulnerable host communities.

Project monitoring indicates substantial improvements in participants' economic resilience, savings behavior, social inclusion, and confidence. Increased access to livelihood opportunities, complemented by continuous mentoring and protection support, enabled participating households to diversify their income sources, strengthen financial resilience, and improve their ability to withstand future shocks. These results demonstrate that sustainable self-reliance requires a holistic package of economic and social interventions rather than livelihood support alone.

Final Year II Progress & End-of-Project Status:

Indicators	Year I Target	Year I Achievement	Year II Target	Year II Achievement	**Cumulative Total (Project End)**	**Status at Project End**
% of participants supported with business start-up grants or placed in jobs with the private sector	10%	50	75%	68.5%	78.5%	**On Track**
% of participant households that report primarily productive work as the primary means of securing basic needs	10%	11.8	75%	48.2%	60%	**On Track**
% of Households that have savings at any level	10%	45.3%	75%	96%	96%	**Achieved**
% of participant households who participate in saving & loan groups	75%	100%	60%	100%	100%	**Achieved**

Output 1.1: Households Access Sustainable Livelihood Opportunities

Creating sustainable income opportunities remained the core focus of the Graduation Approach. During Year II, 319 participants enrolled in Technical and Vocational Education and Training (TVET) programmes aligned with local labor market needs. Of these, 266 participants (83.4%) completed their training, while 34 participants (10.6%) were scheduled to graduate shortly after the reporting period. Only 19 participants discontinued due to unavoidable circumstances, including health conditions, childbirth, and third-country resettlement. Across the two-year project period, 379 participants benefited from accredited vocational training.

Skills development translated into meaningful economic outcomes. Through entrepreneurship training, business development services, and start-up capital, 245 participants established or expanded income-generating businesses, including 195 businesses supported during Year II. In addition, 139 participants secured wage employment through partnerships with private-sector employers, demonstrating the project's success in promoting both self-employment and formal employment pathways.

These achievements have enabled participating households to generate sustainable income, reduce dependence on humanitarian assistance, and contribute to local economic development.

Output 1.2: Households Strengthen Financial Resilience through Coaching and Financial Inclusion

Continuous coaching and financial inclusion remained essential components of the Graduation Approach. Trained mentors conducted regular household visits, providing tailored guidance on business management, household planning, and problem-solving while linking participants to available services where needed.

Participants also received structured training on financial literacy, business development, entrepreneurship, and life skills, equipping them with practical skills to manage businesses, improve household financial planning, and strengthen long-term resilience.

To promote sustainability, Village Savings and Loan Associations (VSLAs) continued to mature as community-managed financial institutions. Discussions with the Woreda Office of Women, Children and Social Affairs resulted in a shared commitment to support the transition of these savings groups into formal cooperatives or unions. The project also initiated linkages with financial institutions to improve future access to business loans and financial services, reducing dependence on external grant support.

Importantly, the mentoring approach has strengthened community ownership by building the capacity of local mentors and government stakeholders to continue providing guidance and referrals beyond the project period.

Output 1.3: Households Access Integrated Protection Services and Community Safety Nets

Recognizing that sustainable livelihoods cannot be achieved without adequate protection, the project integrated comprehensive protection services throughout implementation. All participating households received nine months of consumption support, helping families meet basic needs while investing in their livelihoods.

Targeted protection interventions included one-time emergency cash assistance for 135 households, financial support for 15 persons with disabilities, specialized assistance for six participants with mental or neurological conditions, and emergency support for eight survivors of gender-based violence. During Year II, 58 participants also received medical refund assistance to access essential healthcare services.

The project continued to invest in children's education by supporting 679 students with ETB 2,000 each during Year II to cover education-related expenses, building on the 648 students who received scholastic materials during the first year. Additional support ensured that vulnerable children remained enrolled in school.

Protection services were further strengthened through psychosocial support, legal and medical referrals, assistive devices for persons with disabilities, and tailored educational support for children with special needs. These interventions reduced barriers to participation while improving participants' safety, well-being, and inclusion.

A significant sustainability achievement was the formalization of referral pathways with Refugee and Returnee Services (RRS), UNHCR, government offices, and health institutions. Standardized referral procedures now support refugee documentation, business registration, healthcare access, and complex protection cases, creating stronger institutional systems that will continue serving vulnerable households beyond the project's lifetime.

Overall, the integration of livelihoods with protection, mentoring, financial inclusion, and government systems strengthening has enabled participating households to make measurable progress towards self-reliance while leaving behind stronger community structures and institutional partnerships capable of sustaining project outcomes.

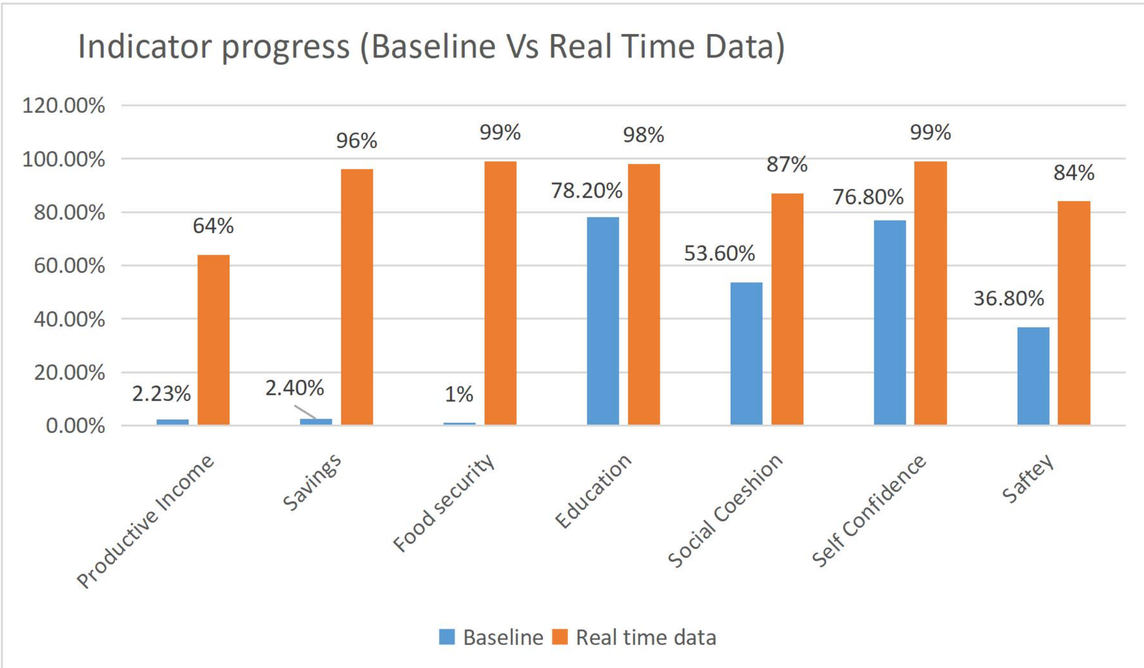

Fig: 1 Component I: Indicators Progress chart (June 2026)

Component II: Livelihood Activities In Debre Birhan,

Outcome 2: Youth, women, and vulnerable groups in Debre-Birhan have access to improved livelihoods and protection services.

Women's Economic Empowerment:

- In collaboration with local government office and project partner CBOs , 300 women (65% IDPs and 35% host community members) represented from Tebasie, Menelik, and Zereyakob sub-cities were identified and received Basic Business Skills and Savings trainings. The training strengthened their business management and financial literacy skills, increasing their confidence and readiness to start or expand small businesses.
- Trained 300 women each received ETB 15,000 in start-up capital, enabling them to establish individual income-generating businesses. They were organized into 17 WEEGs, where they began weekly savings (economic and social saving). The regular savings strengthened the groups' financial capacity, allowing them to provide internal loans to members for business expansion, increasing financial inclusion and enhancing household livelihoods.

- A total of 550 women received training on social cohesion and trauma healing to strengthen peaceful coexistence, psychosocial well-being, and mutual support among IDPs and host community members. Following the training, the women met in their groups on a weekly and bi-weekly basis to facilitate discussions on social cohesion, share experiences, and support one another in addressing social and emotional challenges. These regular interactions strengthened trust, social bonds, and integration between IDPs and host community members while contributing to the trauma healing and psychosocial recovery of many women, particularly those from IDP households. In addition, six women identified with serious psychosocial or health-related needs were referred to health facilities for specialized care and follow-up support.

Final Year II Progress & End-of-Project Status:

Indicator	Year I Target	Year I Achievement	Year II Target	Year II Achievement	**Cumulative Total (Project End)**	**Status at Project End**
% of women/youth acquiring skills and engaging in livelihoods	80%	250 trained; 17 WEEGs formed	**80%**	**300 trained** 17 WEEGs formed	**550 trained** 34 WEEGs formed	**Achieved**
% accessing loan services and engaging in business	80%	17 WEEGs offering loans	**90%**	17 WEEGs offering loans	34 WEEGs offering loans	**Achieved**
% receiving startup capital	80%	250 women received revolving fund	**80%**	300 women received revolving fund	550 women received revolving fund	**Achieved**

Over the two-year implementation period, the project had planned to reach a total of 4,570 individuals with its various services. Actual implementation results, however, show that 5,970 people were reached and benefited — representing 131% achievement against the original target.

Output 2.1: Youth and women receive vocational training and startup support.

- Six youth enterprise groups, comprising a total of 28 members, were carefully selected by a joint technical committee from the government and JeCCDO based on established selection criteria. Priority was given to enterprises facing significant financial constraints and whose business operations had been adversely affected by inflation, limiting their production capacity and business growth. Each enterprise developed a business plan, which was reviewed and approved by the technical committee. Following the signing of support agreements, each enterprise received ETB 265,000 in financial support to implement its business plan. The enterprises subsequently began procuring raw materials and equipment to expand production, improve productivity, and strengthen their business operations.

Output 2.2: Schools and health institutions are supported to improve service delivery.

Education

- JeCCDO provided a school feeding program for 254 vulnerable students enrolled at Chola Primary School (131 students: 75 boys and 56 girls) and Model No. 2 Primary School (123 students: 51 boys and 72 girls). The intervention improved students' nutritional status, reduced classroom hunger, and enhanced their concentration and participation in learning activities. As a result, school attendance, retention, and academic engagement improved. During the project period, only four students dropped out of Model No. 2 Primary School, while Chola Primary School recorded a 15% reduction in its dropout rate. The program also eased the financial burden on vulnerable IDP and host community households, enabling more children to remain in school and continue their education.
- Supported Chola and Model No. 2 Primary Schools with office furniture, student desks, and stationery materials to enhance their institutional capacity and improve the quality of education. The intervention benefited 1,107 students by creating a better-equipped and more conducive learning environment.
- Strengthened the established school gardening through the provision of vegetable seeds, a water tanker, compost from our own farm, and gardening tools. As a result, the gardens produced organic vegetables that supplemented the school feeding program and generated income, enhancing practical learning opportunities and improving school-based food production. The intervention has contributed to transferring skills at the HH level, including practicing the preparation of nutritious food for children.
- Provided 254 highly vulnerable school children with essential educational materials, including exercise books, pens, pencils, school uniforms, and casual clothing. The support enabled children to continue their education until their families were able to generate sufficient income to meet their educational needs independently, thereby improving school attendance and reducing the risk of dropout.
- Organized training on school-based social entrepreneurship for 29 participants from two target schools. As a result, the schools strengthened their entrepreneurial capacity and established stationery and photocopying businesses, creating sustainable income-generating opportunities to support school improvement initiatives and student services. The profit from the income will support 120 vulnerable children
- A total of 180 school children received training on Sexual and Reproductive Health and Rights (SRHR) and Menstrual Health and Hygiene Management (MHHM). It has helped them to improve their hygiene management and build confidence as well as to interact more with peer groups. Conducted awareness-raising workshops for 1,200 community members, including religious leaders, government stakeholders, local leaders, and Iddir leaders, on the rights of IDPs and peaceful coexistence. The intervention has contributed in improved participants' understanding of IDP rights, strengthened positive IDP–host community relations, and promoted social cohesion and inclusive community participation.

Health

- Medical insurance was purchased for a total of 437 households and will enable 1042 individuals to access health services. To date, 694 rights holders have benefited.

- Need-based capacity-building support was provided to two health institutions (04 and Tebassie Health Centers), resulting in improved service delivery and a 10% increase in drug availability benefiting around 165,000 people in Tebassa and 205,123 04 health centers.
- Awareness sessions on Sexual and Reproductive Health and Rights (SRHR), including Menstrual Health and Hygiene Management (MHHM), early pregnancy, unsafe abortion, and environmental hygiene, were provided for a total of 258 adolescent girls and women. As a result, participants increased their knowledge of SRHR and menstrual hygiene and were better informed about preventing early pregnancy and unsafe abortion.
- A total of 500 contextualized Information, Education, and Communication (IEC) leaflets covering food and nutrition, child protection, health, and hygiene were printed and distributed to the community to support Health Extension Workers (HEWs) in raising community awareness.
- A total of 102 adult facilitators from WEEGs received Training of Trainers (ToT) on Sexual and Reproductive Health and Rights (SRHR), environmental sanitation and hygiene and Community Conversation (CC) facilitation. Following the training, they facilitated bi-weekly peer-led Community Conversation sessions for 550 women, contributing to increased SRHR awareness, and the promotion of positive social norms, and stronger community support for adolescents.

Institutional Strengthening:

- The equipment and capacity support provided to schools, youth enterprises, CBOs have been institutionalized through local government engagements. The respective institutions established management committees, which were trained on the operation, management, and maintenance of the equipment and materials provided. Guided by agreed implementation and management plans, these committees are effectively managing the project-supported assets, social enterprises, and facility resources, thereby promoting their long-term sustainability.

Output 2.3: CBOs and JeCCDO staff are capacitated to deliver protection and livelihood services.

- Social enterprise management training was provided to 28 CBO leaders, strengthening the institutional and operational capacity of their organizations and improving their ability to manage programs, resources, and social enterprises effectively.
- Increased organizational capital through revolving funds and income-generating activities, allowing the CBOs to reach more disadvantaged households.
- Expanded grain-credit services from a two-month to a three-month lending cycle, benefiting 590 community members.
- Improved financial management and resource mobilization capacity, enhancing the organization's long-term sustainability.
- Enhanced service delivery capacity, enabling the CBOs to respond more effectively to community needs and provide services to approximately 1,930 people.

4. Project Impact and Sustainability

4.1. Overall Impact on Communities

The Mignote Project has significantly improved economic resilience, social cohesion, and protection for thousands of vulnerable individuals across both locations. The dual approach—combining the intensive graduation model in Addis Ababa with integrated livelihood and health interventions in Debre Birhan—demonstrates the effectiveness of adaptable, context-sensitive programming. Strong partnerships with government institutions, CBOs, schools, and community structures have established sustainable systems that will continue delivering benefits beyond project completion, ensuring targeted households achieve and maintain full self-reliance.

4.2. Sustainability & Exit Strategy

The Mignote Project has embedded sustainability at its core, ensuring that gains achieved during implementation continue to benefit vulnerable households long after completion. Through strategic partnerships, institutional capacity building, financial mechanisms, and community ownership, both locations have established robust systems that will sustain and expand project outcomes.

In Addis Ababa, the local government and steering committee have demonstrated strong ownership and capacity to lead project activities. Local governments now provide working spaces for livelihood initiatives, reducing rental costs and ensuring continued access to facilities. The steering committee—particularly the Women, Children, and Social Affairs Office—has facilitated the merger of savings groups into larger cooperatives, expanding access to formal financial services and reinforcing savings culture.

VSLA groups will not dissolve after project completion but will transition into cooperatives, ensuring continued savings mobilization, expanded access to credit, enhanced financial inclusion, and sustained internal lending. Project-supported social enterprises and community structures have been strengthened to operate independently, with strong linkages to government structures ensuring continued technical support and oversight. Accountability mechanisms—including complaint boxes, hotlines, and regular monitoring—have been institutionalized, while GBV and PSEA mechanisms embedded in community structures will continue through partnerships with RRS, UNHCR, service providers, and government institutions.

In Debre Birhan, a revolving loan mechanism ensures continued access to finance while building CBO financial capacity. IDP rights holders repay 25% and host community members repay 50% of the ETB 15,000 received, with repaid amounts channeled back to support new targets and strengthen existing groups—creating a perpetual resource for multiple cohorts.

All 34 WEEGs have initiated regular savings and internal lending activities and are linked with local CBOs providing revolving credit services. Members who successfully repay loans access additional credit, building financial discipline and credit histories for future formal linkages. Weekly meetings strengthen trust, solidarity, and long-term relationships that sustain groups independently.

Three partner CBOs received financial support to strengthen social enterprises. Tebassie Iddroch Hibret established a new grain bank, while the other two expanded existing activities. These enterprises generate income supporting CBO operations and community services, providing affordable cereals and milling services that benefit vulnerable households while ensuring financial sustainability.

Institutional capacity building has enhanced CBOs, WEEGs, schools, and government stakeholders through training and mentoring. Strong linkages with City Administration, Sub-city, and Kebele structures have institutionalized interventions, while Women's and Child Protection Forums and trained volunteers continue awareness-raising and referrals. Community-based protection mechanisms have been strengthened through trained women's group leaders facilitating conversations on SRHR, child protection, GBV, PSEA, and safeguarding, alongside institutionalized referral pathways at one-stop centers.

Overall, the project has established sustainability through: (1) institutional capacity building enabling local governments, CBOs, schools, and community structures to continue activities independently; (2) financial sustainability through revolving loans, cooperative-transitioning savings groups, and income-generating social enterprises; (3) government ownership through strong linkages with local administration; (4) community ownership through empowered WEEGs, trained volunteers, and embedded protection mechanisms; and (5) sustainable systems including referral pathways and accountability mechanisms. By investing in local institutions and building community capacity, the project has created a lasting foundation for continued poverty reduction, improved well-being, and inclusive community development—ensuring vulnerable households maintain and build upon their progress toward full self-reliance.

Mainstreaming Services: The project is systematically integrating displaced populations—including refugees and internally displaced persons (IDPs)—into government social protection frameworks across target locations. In **Addis Ababa**, ongoing efforts focus on policy advocacy and institutional capacity-building. Through dialogue meetings with the Refugee and Returnee Service (RRS), local authorities, and civil society partners, combined with community sensitization campaigns, the project is fostering an enabling environment for inclusion. These strategies are progressively linking displaced households to national health insurance, education, and productive safety nets, ensuring sustainability beyond the project's lifespan.

In **Debre Birhan**, these efforts have yielded tangible results. The project successfully enrolled **437 vulnerable households**—comprising both IDPs and host community members—into the government's community-based health insurance scheme, marking the first-time enrollment for many displaced families. Concurrently, the project collaborated with education authorities to secure non-discriminatory school admissions for displaced children and advocated for equitable service delivery at health facilities and other government institutions. As a result, IDPs and other vulnerable groups now experience improved access to health, education, and essential social services alongside their host community counterparts.

Knowledge Transfer:

The project strengthened the capacity of local actors across both target locations through a comprehensive approach combining mentorship, coaching, technical training, and joint monitoring.

In **Addis Ababa**, knowledge transfer was facilitated through hands-on mentoring by project staff, regular coaching sessions that guided local leaders in problem-solving, and tailored technical trainings delivered to government offices and steering committees. These capacity-building efforts enabled local institutions to progressively assume core responsibilities—including planning, monitoring, and facilitation—while also building their confidence to replicate and cascade knowledge within their communities.

In **Debre Birhan**, the project extended similar support to a wider network of stakeholders, including Community-Based Organizations (CBOs), Women's and Child Protection Forums, community volunteers, school management committees, health institutions, the Ethiopian Orthodox Tewahedo Church–Development and Inter-Church Aid Commission (EOTC-DICAC), and officials at the city, sub-city, and kebele levels. Capacity-building interventions covered a broad range of thematic areas: livelihood development, financial management, social cohesion, Sexual and Reproductive Health and Rights (SRHR), child protection, Gender-Based Violence (GBV) prevention, Protection from Sexual Exploitation and Abuse (PSEA), positive parenting, psychosocial support and case management, community conversation facilitation, and the operation and management of project-supported assets.

Through continuous technical assistance and joint follow-up, local stakeholders in both locations have enhanced their knowledge, skills, and sense of ownership. This sustained support has positioned them to maintain project interventions and continue delivering essential services well beyond the project's lifespan.

4.3. Risk Management & Lessons Learned

The project adopted a proactive and adaptive risk management approach, identifying potential challenges across both operational locations and implementing targeted mitigation strategies. The table below outlines the key risks encountered, their corresponding management measures, and the outcomes achieved.

Risk Category	Specific Risk	Mitigation Strategy	Outcome/Status
Institutional & Capacity	Limited local capacity and weak institutional structures among community-based organizations and government counterparts.	Provided continuous mentorship, coaching, and tailored technical training to local actors, steering committees, and government offices. Built ownership through joint planning, monitoring, and progressive handover of responsibilities.	Local actors increasingly assumed leadership roles in planning, facilitation, and service delivery. Institutional capacity was measurably strengthened across CBOs, forums, and government structures in both locations.
Financial & Economic	Inflation and rising commodity prices increased the start-up capital required for livelihood activities, eroding the	Advocated with government and local authorities to provide subsidized or free	Reduced operational costs for rights holders. Group IGAs proved more resilient,

	purchasing power of project support.	working spaces for IGAs. Encouraged group-based income-generating activities (IGAs) to pool resources and reduce individual financial burdens. Adjusted livelihood support packages to reflect current market prices.	and livelihood activities remained viable despite inflationary pressures.
Financial & Economic	Limited access to finance and financial exclusion for displaced and vulnerable households.	Promoted savings groups and merged them into cooperatives for greater bargaining power. Linked groups to NGOs and small-scale financial institutions to expand access to credit and loans. Provided seed funding of ETB 500,000 to three project CBOs to expand their social enterprises and revolving loan services.	Savings groups mobilized over ETB 1,060,471 from 550 women, of which ETB 620,500 was disbursed as loans to enhance household financial resilience. CBOs now sustainably manage revolving funds.
Financial & Economic	Financial sustainability beyond the project's lifespan.	Embedded capacity-building for financial management, business planning, and asset operation within all training modules. Promoted internal savings and lending mechanisms. Linked groups to formal financial institutions for longer-term sustainability.	Local structures demonstrated growing financial autonomy and management capacity, ensuring continuity of services post-project.
Social & Protection	Social tensions and mistrust between IDPs and host communities, risking social cohesion.	Conducted community sensitization and dialogue sessions to foster mutual understanding and acceptance. Promoted	Improved inter-community relations. Host communities and IDPs increasingly collaborated in economic and social

		joint participation in savings groups, IGAs, and community activities that brought both groups together. Ensured equitable service delivery at health and education facilities.	activities, reducing friction.
Social & Protection	Psychosocial distress and trauma among IDPs, particularly women, affecting their participation and well-being.	Integrated psychosocial counselling, trauma healing, and case management into project activities. Trained community volunteers and protection forums to provide first-line psychosocial support and referrals.	Targeted women received psychosocial support, leading to improved mental health, increased confidence, and greater engagement in livelihood and community activities.
Social & Protection	Low protection awareness and inadequate response to GBV, child protection, and PSEA issues.	Delivered training on GBV prevention, child protection, PSEA, positive parenting, and case management to local actors, CBOs, and community volunteers. Established referral pathways and feedback mechanisms. Strengthened Women's and Child Protection Forums.	Enhanced protection awareness and response capacity among local structures. Rights holders were better informed of their rights and available support services.
Operational	High mobility and frequent resettlement of displaced households, disrupting project engagement.	Maintained flexible engagement approaches, including mobile communication (phone calls, messaging) to stay connected with relocated households. Mentors adapted by visiting rights holders in new locations. Savings groups kept members	Rights holders remained engaged in coaching, training, and savings activities despite changes in residence. Project continuity was preserved.

		connected even after relocation.	
Operational	Weak coordination and feedback mechanisms among partners, risking inefficiency and duplication.	Established strong collaboration frameworks and regular feedback loops with key partners, including the Embassy of the Kingdom of the Netherlands, EOTC-DICAC, and government stakeholders at all levels. Conducted joint monitoring visits and coordination meetings.	Enhanced effectiveness, efficiency, and stakeholder commitment. Strong sense of ownership developed among all partners, enabling smoother implementation.
Operational	Inadequate operation and maintenance of project-supported assets (e.g., equipment, facilities).	Included asset management training in capacity-building packages. Assigned clear maintenance responsibilities to local committees and provided ongoing technical support and joint follow-up.	Local structures demonstrated capacity to operate and maintain assets, ensuring their long-term functionality and benefit to communities.
Security & Political	Potential insecurity or political instability affecting project access and implementation. *(Additional risk)*	Maintained close communication with local authorities and security focal points. Developed contingency plans for alternative delivery modalities (e.g., remote support, mobile teams). Regularly assessed security situations before field activities.	Project maintained operational continuity with no major disruptions. Timely adjustments ensured staff and rights holder safety.
Environmental	Climate-related shocks (drought, flooding) affecting livelihoods and food security. *(Additional risk)*	Integrated climate-sensitive livelihood options (e.g., drought-resistant IGAs). Linked households to government productive	Vulnerable households were better equipped to absorb and recover from environmental shocks through

		safety nets and early warning systems. Promoted savings to build household resilience against shocks.	diversified livelihoods and safety net linkages.

Overall Risk Management Approach

Throughout the project lifecycle, risks were systematically identified, monitored, and addressed through a combination of capacity strengthening, financial innovation, social cohesion building, and adaptive operational practices. The close collaboration with government bodies, civil society partners, and donor representatives ensured timely problem-solving and resource mobilization. Regular joint monitoring and feedback mechanisms enabled the project to remain responsive to emerging challenges, while the emphasis on local ownership and institutional capacity-building guaranteed that mitigation measures would endure beyond the project's conclusion.

Key Lessons Learned from Component:

A. Integrated Programming as a Pathway to Self-Reliance

The project demonstrated that a multi-dimensional, integrated approach is essential for achieving sustainable outcomes in displacement settings. The Graduation Approach—combining livelihood support, financial inclusion, coaching, and protection—proved highly effective in both urban (Addis Ababa) and semi-urban (Debre Birhan) contexts. Households were able to transition from aid dependency toward self-reliance, with economic progress reinforced by social and protective safeguards. Embedding protection alongside economic interventions ensured that vulnerable households were shielded from exploitation and exclusion, strengthening the dignity of right holders and making the pathway to self-reliance more humane and responsive to displacement realities. The holistic design—where livelihoods, financial inclusion, social cohesion, and protection mutually reinforced each other—ensured that progress was not merely economic but also social and protective.

B. Financial Inclusion Drives Resilience

Access to finance emerged as a critical enabler of household resilience. In Addis Ababa, linking savings groups with NGOs and small-scale financial institutions expanded access to loans for both refugees and host communities, reinforcing a saving culture and enabling households to invest in their futures. In Debre Birhan, savings groups and CBO social enterprises mobilized substantial internal savings—over ETB 1,060,471 from 550 women—and disbursed ETB 620,500 in loans, significantly enhancing household financial resilience. The establishment of revolving loan funds and the strengthening of CBO social enterprises proved instrumental in sustaining economic gains beyond direct project support.

C. Social Cohesion Requires Deliberate, Multi-Pronged Investment

Applying a do-no-harm and conflict-sensitive lens effectively reduced tensions between displaced and host communities. Beyond dialogue and sensitization meetings, social cohesion was strengthened through tangible investments in shared community infrastructure—including sport centers, libraries, and youth centers—as well as joint economic activities. In Debre Birhan, shared savings groups and community conversations fostered trust, reduced tensions, and promoted peaceful coexistence. These initiatives demonstrated that social cohesion is best achieved when accompanied by material support, advocacy, and platforms for meaningful interaction.

D. Capacity Building and Ownership Ensure Sustainability

Strengthening local institutions and community structures was central to sustaining project outcomes. Personalized mentorship and coaching built confidence, transferred technical skills, and empowered right holders and local actors to assume leadership roles. In Debre Birhan, CBOs, Women's Economic Empowerment Groups (WEEGs), school management committees, and government structures at all levels demonstrated increased ownership and capacity to manage interventions independently. Community-led awareness initiatives—led by trained women facilitators—continued to address SRHR, child protection, GBV, and positive parenting long after formal project support ended. The integration of local structures with government systems further reinforced sustainability.

E. Strong Referral and Coordination Systems Enhance Protection

Functional referral mechanisms proved vital for protection outcomes. In Debre Birhan, GBV and psychosocial referral pathways were established, linking survivors to appropriate care, including a One-Stop Center at the hospital. Seven serious psychosocial cases were successfully referred and received timely, comprehensive support. Strong collaboration and feedback mechanisms with partners—including the Embassy of the Kingdom of the Netherlands, EOTC-DICAC, and government stakeholders—enhanced the effectiveness, efficiency, and quality of implementation. Joint field monitoring and learning activities further strengthened coordination and shared learning.

F. Adaptive Management Addresses Contextual Challenges

Practical challenges—including inflation, limited access to finance, and household mobility—were effectively managed through adaptive strategies. In Addis Ababa, inflation-induced increases in start-up capital requirements were mitigated by advocating with local authorities to facilitate working spaces for livelihood activities, reducing costs and easing financial burdens. Encouraging group-based IGAs further strengthened collective resilience against economic shocks. In Debre Birhan, financial support and capacity-building enabled CBOs and WEEGs to weather economic pressures. Frequent resettlement was addressed through flexible engagement—including mobile communication and follow-up visits—ensuring right holders remained connected to project activities despite mobility.

Recommendations

A. Scale Up the Integrated Model

The success of the project demonstrates that the integrated Graduation Approach is a powerful, replicable pathway from aid dependency to self-reliance in displacement contexts. Future programming should expand the combined livelihood, protection, health, education, and social cohesion model to reach more IDPs, refugees, and host community members. Scaling up should prioritize urban and semi-urban settings where displacement dynamics are increasingly concentrated.

B. Institutionalize Financial Inclusion Mechanisms

- **Expand WEEGs and savings groups** by linking them with formal financial institutions and government livelihood programs to improve access to sustainable finance.
- **Support the growth of CBO social enterprises** through additional investment and technical assistance to increase their income-generating capacity and expand services for vulnerable households.
- **Continue linking savings groups with NGOs and microfinance institutions** to broaden access to credit and reinforce a culture of saving.

C. Embed Interventions into Government Policy and Systems

To ensure sustainability beyond project cycles, key activities should be institutionalized within national and local development frameworks:

- **Integrate livelihood support, financial inclusion, and protection safeguards** into City Administration, Sub-city, and Kebele development and social protection plans.
- **Incorporate community-led protection approaches**—including Community Conversations, GBV/PSEA prevention, SRHR, and positive parenting—into local government and community development strategies.
- **Advocate for the inclusion of displaced populations** in government safety nets, health insurance, and education systems, as demonstrated in both Addis Ababa and Debre Birhan.
- **Work closely with the government on developing a protection policy framework** for IDPs, including addressing human trafficking and internal migration in partnership with CBOs and local government.

D. Strengthen Social Cohesion and Shared Infrastructure

- **Continue investing in shared community infrastructure**—sport centers, libraries, youth centers, and other public spaces—as platforms for fostering trust and inclusion.
- **Promote joint economic activities** that bring displaced and host communities' together, reducing tensions and building mutual interdependence.
- **Maintain advocacy efforts** with local authorities to facilitate working spaces and other resources that reduce costs and mitigate inflationary pressures.

E. Sustain Capacity Building and Ownership

- **Provide ongoing mentorship, coaching, and technical assistance** to local institutions and community structures to ensure they retain the skills and confidence to sustain interventions.
- **Deepen integration with government structures** at all levels to strengthen ownership and ensure that project gains are embedded in routine service delivery.
- **Continue joint monitoring, learning, and feedback mechanisms** with partners to enhance quality, effectiveness, and efficiency.

F. Invest in Protection Systems and Referral Pathways

- **Strengthen and institutionalize referral mechanisms** for GBV, psychosocial support, and child protection, ensuring seamless coordination between community structures, health facilities, and specialized service providers.
- **Expand community-led protection awareness** through trained facilitators who can sustain conversations on SRHR, child protection, GBV, positive parenting, and PSEA within their communities.
- **Maintain and expand One-Stop Centers** and other integrated service delivery models to provide comprehensive care for survivors.

G. Donor Investment in Proven Models

Donors are encouraged to invest in the Graduation Approach as a proven, evidence-based model that bridges humanitarian relief with long-term development. Support should prioritize:

- Financial inclusion partnerships that expand access to credit and savings.
- Social cohesion initiatives that build trust and shared community spaces.
- Mentorship, coaching, and capacity-building that empower right holders to thrive with dignity and resilience.
- Flexible funding mechanisms that allow for adaptive management in response to inflation, mobility, and other contextual challenges.

5. Financial Report (Year II & Cumulative)

5.1. Year II Budget vs. Actual

Budget Line	Allocated (€)	Spent (€)	Variance (€)	Notes on Variance
Component 1 Activities	771,511.61	564,178.44	207,333.17	The remaining will be used until 31st. August 2026
Component 2 Activities	284,300.00	220,000.00	64,300.00	The remaining will be used until 31st. August 2026
Technical Support (Act for Peace)	44,188.39	44,188.39	0	
Total Year II	€1,100,000.00	828,366.83	271,633.17	(100,000.00 Not Received)

5.2. Cumulative Financial Report (Project Total, Sept 2024 – Aug 2026)

Budget Line	Total Allocated (€)	Total Spent (€)	Balance (€)	Notes
Component 1 Activities	1,446,536.76	1,042,184.55	404,352.21	The remaining will be used until the 31st. August 2026
Component 2 Activities	525,000.00	458,628.68	66,371.32	The remaining will be used until the 31st. August 2026
Technical Support	128,463.24	128,463.24	0	
Total Project Budget	2,100,000.00	1,713,551.37	470,723.53	100,000.00 yet to be released

6. Cross-Cutting Themes (Final Review)

1. Gender Equality & GBV Prevention

- **Addis Ababa:** Embedded gender-transformative approaches in training; strengthened referral pathways with government offices and one-stop centers; established community vigilance and complaint systems for early GBV risk identification.
- **Debre Birhan:** Promoted gender-sensitive recruitment, WEEGs, and gender forums; trained women facilitators to lead community conversations, increasing women's decision-making and challenging harmful norms.

2. Disability Inclusion

- **Addis Ababa:** Supported 15 persons with disabilities through cash assistance and assistive devices (wheelchairs, crutches, walking sticks, corrective shoes); effective measures included therapy/transport cash support and tailored education for 11 participants.
- **Debre Birhan:** Integrated 10 households with disabled members into WEEGs, ensuring equitable access to savings, livelihoods, and protection activities.

3. Localization & Sustainable Livelihoods

- **Addis Ababa:** Built Woreda Steering Committee capacity in safeguarding, GBV, and financial accountability; promoted urban agriculture and poultry farming aligned with national climate adaptation policies.
- **Debre Birhan:** Strengthened CBOs through grants, mentoring, and institutional support—improving governance and financial management; established school-based Bio-Intensive Gardens for food, income, and nutrition education.

4. Youth Engagement

- **Addis Ababa:** Made youth participation mandatory; involved youth in leadership, decision-making, and as mentors; provided entrepreneurship training and financial inclusion.
- **Debre Birhan:** Supported youth-led enterprises in agriculture, metalwork, and woodworking, enhancing business growth and youth leadership roles.

5. MHPSS

- Identified trauma-affected right holders and provided referrals to health institutions alongside case-specific psychosocial support, removing barriers to participation in all project activities.

The Project demonstrates an integrated, context-sensitive model that strengthens institutions, empowers communities, and builds sustainable resilience. Tailored approaches in both locations achieved lasting change across protection, inclusion, livelihoods, and youth empowerment—while inflation risks highlight the need for continued support to sustain gains.

7. Annexes

- Updated Logical Framework Matrix for both Components
- Right-holders Disaggregation Table (Final: by sex, age, disability, refugee/IDP/host, sub-city)
- Final MEL Dashboard Summary / Screenshots.
- Case Studies & Success Stories (Year II).