





Pathways to Employment

Ethiopia Report





About the Authors

About the RLRH

The Refugee-Led Research Hub (RLRH) is an initiative of the Refugee Studies Centre (RSC) at the University of Oxford. The RLRH is based in the UK and Kenya, with a research office located in Nairobi at the British Institute in Eastern Africa (BIEA). We create opportunities for researchers with a displacement background to lead primary and secondary research studies in the field of forced migration, from start to finish. Our main thematic interests in Refugee Studies relate to 1) livelihoods and self-reliance; and 2) leadership and participation of displaced populations in humanitarian response and policymaking. RLRH also offers a series of academic programmes which support graduate access professional development for students with lived experiences of displacement. Visit our website for more information.

About the Authors

Uwezo Ramazani is a researcher based in Tanzania with lived experience of displacement. Previously, he was Tanzania Lead Researcher for a study of refugee-led organizations in East Africa on behalf of the Local Engagement Refugee Research Network (LERRN) at Carleton University and the Refugee-Led Research Hub (RLRH) at the University of Oxford. Earlier, he worked with Resilience Action International (RAI), a refugee-led organization mainly in Kakuma Refugee Camp in Kenya, most recently as Interim Executive Director. Uwezo was awarded two DAFI (Albert Einstein German Academic Refugee Initiative) scholarships and the Mwalimu Nyerere Scholarship Scheme for people with physical disabilities, sponsored by the African Union. He holds an MA in governance and leadership from the Open University of Tanzania as well as an MA in

Public Administration from Mzumbe University, Tanzania. You can reach him at uwezo.ramazani@refugeeledresearch.org

Abis Getachew is a researcher based in Ethiopia. Previously, he was Ethiopia Lead Researcher for а study of refugee-led organizations in East Africa on behalf of the Local Engagement Refugee Research Network (LERRN) at Carleton University and Refugee-Led Research Hub (RLRH) at the University of Oxford. He holds a Master of Commerce in economics from the University of South Africa. Abis has been involved in several research projects displacement on collaboration with the German Development Institute and the Refugee Studies Centre (RSC). You him can reach at abis.getachew@refugeeledresearch.org.

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Introduction



Executive Summary

- Ethiopia has made commendable progress in integrating refugees into the labour market. The 2019 Refugee Proclamation has expanded the rights of refugees to participate in the labour market by applying for a work permit. Specific rights related to access to work and freedom of movement for refugees are regulated by the 2019 Choice of Residency Directive and the 2024 Refugee Right to Work Directive. Refugees can apply for a residence permit to work in joint projects of humanitarian and development organisations, a work permit to take up employment, and can apply to business licences.
- According to Ethiopian Refugee & Returnee Service (RRS), 15,000 permits have been issued since the Proclamation, out of a refugee caseload of over one million. Access to work permits and residence permits has improved in 2023, but delays in obtaining an appointment and relevant documentation persist, causing refugees to miss out on work opportunities.
- While policies and directives exist and are progressively implemented, there is a need for further associated rights and increased awareness among stakeholders involved in the labour market. Significant gaps remain prevent refugees to self-reliant: notably limitations to freedom of movement, limited access to business licences, and to liberal professions. More coordination between the RRS government institution [Refugees and Returnees Service], line ministries, State Departments and service providers is needed for refugees to obtain business licences, Tax Identification Numbers (TIN), or the ability

- to work in liberal professions. Ethiopia recently launched a national ID programme, available to refugees, which may make access to these services easier.
- Finding a job is a challenge for refugees in Ethiopia, even if they hold a work permit.
 Skill mismatches and lack of awareness of their right to work make them uncompetitive with Ethiopians in the labour market. As a result, employers are reluctant to hire them formally and to invest in their professional development, and they end up in low-paid jobs that do not help them become self-reliant.
- Several high-profile collaborations in Ethiopia, such as the Comprehensive Refugees Response Framework (CRRF), are largely inactive and coordination The limited remains fragmented. information available evaluations, on progress and outcomes refugee assistance programmes makes it difficult to inform future decision-making and is a key gap to address in the Ethiopian context.
- There is limited evidence of meaningful employment outcomes for refugees through private sector engagement in Ethiopia. This is due to 1) the lack of attractiveness of refugee hosting areas to investors and the private sector, and 2) ineffective coordination between key stakeholders. Private sector engagement is a priority for the Ethiopian government, as evidenced by recent commitments made at the Global Refugee Forum.



Executive Summary

- To improve access to work documents, the report suggests that the government expands refugees' freedom of movement, that RRS helps refugees to access Fayda and the TIN, coordinates bodies to profession-specific refugees can engage in liberal professions, and reduces delays in issuing work permits. These processes could be further supported by NGOs and refugee-led organisations through information-sharing and direct support to refugees navigating processes.
- To improve access to employment opportunities, the report suggests that stakeholders provide direct support to

- employers by funding internship programmes and funding refugee entrepreneurs, and expand training programmes.
- coordination To improve across government agencies, humanitarian and development organisations, and the private sector, the report suggests that donors dedicated provide resources information-sharing, awareness-raising, and private sector coordination to RRS and the UNHCR, and for stakeholders to systematically share lessons from livelihood programmes and private sector engagement efforts.

Photo by Kelly/Pexels





Acronyms

CRRF	Comprehensive Refugees Response Framework	
DICAC	Ethiopian Orthodox Church Development and Inter Church Aid Commission	
FCDO	Foreign, Commonwealth & Development Office	
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit	
GRF	Global Refugees Forum	
ILO	International Labor Organization	
JRS	Jesuit Refugee Service	
MoLSA	Ministry of Labor and Social Affairs	
MoU	Memorandum of Understanding	
NGO	Non-Governmental Organisations	
RISE	Refugee Integration and Self-Reliance Project Ethiopia	
RLO	Refugee-led Organisation	
RRS	Refugees and Returnees Service	
SHARPE	Strengthening Host and Refugee Populations in Ethiopia	
TIN	Tax Identification Number	
TVET	Technical and Vocational Education and Training	
UNHCR	United Nations High Commissioner for Refugees	



Ethiopia Situation Snapshot

Country assessment:

- More open legal environment, but significant restrictions remain in practice
- Comprehensive literature available publicly, few gaps in knowledge (mostly related to recent evolutions that have not yet been documented)

Ethiopia is one of Africa's largest refugee-hosting countries and it is home to 1,051,022 refugee and asylum seekers, as of April 2024. Most refugees and asylum seekers come from South Sudan (40.3%), followed by Somalia (33%), Eritrea (17%), and Sudan (8.8%).² While many refugees in Ethiopia are in situations of protracted displacement, Ethiopia continues to receive new caseloads as a result of the ongoing internal protracted conflicts in Somalia and Sudan. In February 2023, over individuals entered Ethiopia from Somalia and the UNHCR reported 91,500 new arrivals crossing from Sudan by November 2023.3 This trend continued in 2024: from January to May, 63,000 new refugees and asylum seekers entered Ethiopia.

The large majority of refugees in Ethiopia live in refugee camps, and few have access to economic centres such as Addis Ababa.

7.4% of refugees (about 78,000) reside in the capital, Addis Ababa, while the large majority of the refugees reside in 29 refugee camps and settlements across various regional states.⁴ Most South Sudanese refugees reside in the Gambella region, while most Somali refugees reside in the Somali region of Ethiopia.⁵ Ethiopia maintains an encampment policy, but allows refugees to apply for out-of-camp permits to join urban areas.⁶ The vast majority of urban refugees (92%) in Addis Ababa are Eritrean.⁷

This study, conducted in partnership with the Mastercard Foundation, supports the Amahoro Coalition's mission to promote dignified and fulfilling livelihoods for refugees and displaced persons across Africa through multi-sectoral collaboration. It aligns with the Foundation's strategic objective of enabling 2.5 million young refugees and displaced individuals to access meaningful employment by 2030.

The research examines current policies, challenges, and opportunities affecting refugees' access to formal employment in host countries, identifying key barriers and recommending strategies strengthen employment pathways promote socio-economic integration into host communities. The views expressed herein do not necessarily represent those of the Mastercard Foundation, its staff, or its Board of Directors.

^{1.} UNHCR. "Operational Data Portal Ethiopia," Accessed on 18 June 2024. https://data.unhcr.org/en/country/eth

^{3.} European Commission, "Ethiopia – Increasing refugee arrivals from Somalia (DG ECHO, UNHCR)," 27 February 2023. https://erccportal.irc.ec.europa.eu/ECHO-Products/Echo-Flash#/daily-flash-archive/4728; OCHA, "Ethiopia Situational Update-The Impact of the Situation in Sudan on Ethiopia." 18 December 2023. https://reports.unocha.org/en/country/ethiopia/card/7GruznSXA8/

^{4.} UNHCR. "Operational Data Portal Ethiopia," Accessed on 18 June 2024. https://data.unhcr.org/en/country/eth
5. Ibid.

^{6.} Woldetsadik, Tadesse Kassa, Fasil Mulatu, and Jettu Edosa. "Ethiopia's Refugee Policy Overhaul: Implications on the Out of Camp Regime and Rights to Residence, Movement and Engagement in Gainful Employment." Journal of Ethiopian Human Rights Law, Center for Human Rights, Addis Ababa University June, 2019. https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3406620
7. UNHCR Ethiopia. "Urban Refugees Factsheet (October - December 2023)," 6 March 2024. https://reliefweb.int/report/ethiopia/unhcr-ethiopia-urban-refugees-factsheet-october-december-2023



Objectives

In Ethiopia, there is commendable progress towards refugee integration into the labour market since 2019. The 2019 Refugee Proclamation has expanded the rights of refugees to join the labour market upon applying for work permits.8 In a 2023 report that measures its progress against pledges made at the Global Refugee Forum (GRF) in 2019, Ethiopia said that it had created close to 130,000 economic opportunities for "refugees and host communities in the agriculture and livestock sectors through 14 ioint projects development and humanitarian partners," surpassing their stated objective of 90,000 job creations.9 Between 2019 and June 2023, RRS reports that it has issued "14,800 work permits and residence permits to refugees [...] 7,200 residence permits issued to refugees participating in joint projects and 7,600 work permits issued for refugees engaged in wage employment or self-employment outside of the joint projects,"10 but those numbers have not been verified independently. 11 The 2024 Country Refugee Response Plan reports that "8,052 work permits were issued in 2023, along with 5,239 resident permits."12

This study aims to examine the process of hiring refugees in Ethiopia, with a focus on the gaps that exist between policy and practice, and on how the private sector can be meaningfully engaged in this process, by asking:

- **1.** What policies and legal frameworks govern refugees' access to employment in Ethiopia?
- 2. What processes do refugees need to follow to find employment in Ethiopia? What challenges do refugees face in following the required steps to employment in Ethiopia?
- **3.** What are the challenges private sector actors face in order to employ refugees in Ethiopia?
- **4.** How can collaboration and partnerships between stakeholders be improved to create a more enabling environment for refugee employment in Ethiopia?

^{8.} Woldetsadik, Tadesse Kassa, Fasil Mulatu, and Jettu Edosa. "Ethiopia's Refugee Policy Overhaul: Implications on the Out of Camp Regime and Rights to Residence, Movement and Engagement in Gainful Employment." Journal of Ethiopian Human Rights Law, Center for Human Rights, Addis Ababa University. June, 2019. https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3406620

^{9.} UNHCR. "Ethiopia Country Summary as at 30 June 2023." 13 March 2024.

https://reliefweb.int/report/ethiopia/ethiopia-refugee-policy-review-framework-country-summary-30-june-2023 10. lbid.

^{10.} Ibid

^{12.} UNHCR. "UNHCR Ethiopia Country Refugee Response Plan (January - December 2024)" April 2024, https://reliefweb.int/report/ethiopia/unhcr-ethiopia-country-refugee-response-plan-january-december-2024



Research Methods

This Ethiopia report is part of a 15-country study on hiring refugees, conducted by the Refugee-Led Research Hub, on behalf of the Amahoro Coalition. Data was collected both remotely and in-person in May 2024, prior to the issuance of the new Directive on the Right to Work 1019/2024.

Data collection is mainly focused on Addis Ababa, where refugees can apply for work permits at the RRS office and where there are opportunities to enter the formal labour market. Wage-earning employment is exclusively available outside refugee camps. In the camps, refugees have little or no opportunity to find formal employment, but instead engage in cooperatives such as livestock cooperatives, agricultural cooperatives, and energy and environment cooperatives. 13 In some cases, they might work as incentive workers for RRS or other humanitarian organisations¹⁴ – but those are positions for which they do not require work permits.

The team conducted eighteen (18) interviews with refugees and stakeholders in Ethiopia, including:

- One (1) government representative from Refugees and Returnees Service (RRS)
- One (1) representative from a State vocational training provider
- Five (5) refugees who hold work permits and are in the process of applying for work permits
- Six (6) INGOs who support refugees' access to the labour market in Ethiopia (remotely)
- Five (5) private companies that have hired or trained refugees

We acknowledge that due to the limited scope and budget of the study, the sampling strategy is neither systematic nor representative of the refugee population in Ethiopia. To reduce bias, we have tried to triangulate the data as much as possible with grey literature, although we have not identified many peer-reviewed sources due to the rapidly evolving situation in Ethiopia. As a result, this report does not provide a complete picture of refugee livelihoods in Ethiopia, but is intended to be useful as a basis for discussion and advocacy.

1. Policies and Legal Frameworks That Govern Refugees' Access to Employment



Ethiopia is signatory to the 1951 Refugee Convention and its 1967 Protocol, International Covenant on Economic, Social and Cultural Rights, and the Organization of African Unity regional convention.¹⁵

In 2019, Ethiopia adopted a new law, Refugee Proclamation (No.1110/2019), widely considered one of Africa's most progressive refugee policies. 16 Under the 2019 Refugee Proclamation, refugees have the right to work according to Article (26) and to move freely within the country as stated in Article (28). 17 The specific rights pertaining to access to work and freedom of movement for refugees are strictly conditioned by two separate policy directives. These include: 1) the Choice of Residency Directive of 2019 and 2) the Refugee Right to Work Directive of 2019. 18

The Free Movement and Choice of Residency Directive provides refugees with Out of Camp permits to live outside of camps for work.¹⁹

Those permits are issued to individuals who can demonstrate that they are either employed, sponsored, that thev can themselves.²⁰ To apply, refugees must go to the RRS office at camp level and submit documentation. In practice, refugees move to urban centres close to camps without an out-of-camp permit (e.g. for refugees in Melkadida refugee camp can go to Dolo Ado). Refugees are typically granted out-of-camp permits to travel to Addis Ababa for medical reasons, rather than for employment purposes. Refugees in the camp, with the exception of Eritreans (92% of the urban caseload), have limited networks in Abbis and therefore struggle to achieve and demonstrate self-sufficiency.²¹

https://www.cgdev.org/sites/default/files/2022-global-refugee-work-rights-report.pdf.

https://www.cgdev.org/sites/default/files/2022-global-refugee-work-rights-report.pdf.

^{15.} Ginn, Thomas, Reva Resstack, Helen Dempster, Emily Arnold-Fernández, Sarah Miller, Martha Guerrero Ble, and Bahati Kanyamanza. "Global Refugee Work Rights Report." Center for Global Development, 2022.

^{16.} Woldetsadik, Tadesse Kassa, Fasil Mulatu, and Jettu Edosa. "Ethiopia's Refugee Policy Overhaul: Implications on the Out of Camp Regime and Rights to Residence, Movement and Engagement in Gainful Employment." Journal of Ethiopian Human Rights Law, Center for Human Rights, Addis Ababa University June, 2019. https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3406620
17. Ethiopia: Proclamation No. 1110/2019, Refugees Proclamation, Proclamation No. 1110/2019, 27 February 2019, https://www.refworld.org/legal/decreees/natlegbod/2019/en/30352

^{18.} Additional instruments are open to refugees to access permits, but have not been taken up. UNHCR reports that: "A new addition to the existing framework is the Ethiopian Investment Commission (EIC) Directive Regulating the Issuance of Work Permit to Expats Employed in Investments and the Implementation of Knowledge and Skill Transfer from Expats to Ethiopians, Directive No.772/2021, which provides that recognized refugees, holding a valid identity paper and engaged in wage-earning employment outside the context of joint projects, could be issued with work permits to be employed in investments, whose administration fall within the mandate of the EIC. The Directive exempts eligible refugees from the requirements of a passport, entry visa, and service charges. In practice, there are no known cases of refugees who have accessed work permits under this Directive." See: UNHCR. "Ethiopia Country Summary as at 30 June 2023." 13 March 2024. https://reliefweb.int/report/ethiopia/ethiopia-refugee-policy-review-framework-country-summary-30-june-2023

^{19.} Federal Democratic Republic of Ethiopia, The Directive on Movement and Residence of Refugees Outside of Camps. Directive No. 01/2019, December 30, 2019, https://www.refworld.org/docid/609f1b924.html.

^{20.} Ginn, Thomas, Reva Resstack, Helen Dempster, Emily Arnold-Fernández, Sarah Miller, Martha Guerrero Ble, and Bahati Kanyamanza. "Global Refugee Work Rights Report." Center for Global Development, 2022.

^{21.} UNHCR Ethiopia. "Urban Refugees Factsheet (October - December 2023)," 6 March 2024.

https://reliefweb.int/report/ethiopia/unhcr-ethiopia-urban-refugees-factsheet-october-december-2023



In August 2024, Ethiopia issued an updated Right to Work Directive (1019/2024), and repealed the Directive 02/2019 to Determine the Procedures for Refugees Right to Work.²²

The 2024 Directive allows refugees to work under three channels: 1) wage-earning employment within the private or public sector (referred to as: 'work permit'); 2) employment in joint projects funded by the international community (referred to as: 'residence permit'); and 3) engagement in commercial activities.²³ Work permits issued under the 2019 Directive remain valid.²⁴ The 2024 Directive introduced four promising changes to the 2019 Directive:

- It clarifies the process for obtaining a Tax Identification Number (TIN). Previously, refugees were unable to obtain a Tax Identification Number (TIN), which is a prerequisite for obtaining a business licence.²⁵ Refugees could not obtain TINs because the trade office that issued them did not recognise refugee identity cards. As a result, refugees opened businesses without a business licence²⁶ or used the business licence of an Ethiopian national.
- It replaces the section on 'self-employment' with a section on 'commercial activities' and outlines the process required to obtain a business licence, which was not in the 2019 directive.

 It no longer requires employers to prove that there are no Ethiopian nationals available to fill these positions.

Refugees with Ethiopian spouses refugees who have children with Ethiopian nationality can work without residence or work permits, according to both the 2019 and 2024 Right to Work Directives. According to the 2024 Directive, refugees or asylum seekers who are "are legally married to an Ethiopian national or have one or more children in possession of Ethiopian nationality, and has been provided a letter by the Service Office attesting to the facts, do not need a residence permit to participate in a joint project."27 This right extends to work permit applicants, if they "can cause evidence from the Service Office or any other organ to this fact."28 The team was unable to identify refugee spouses and refugees who have children with Ethiopian nationality and to verify that they are able to work safely without work permits.

Refugees can legally open bank accounts in Ethiopia, with limited challenges. Refugees have access to banking and financial services, made possible by reforms to the 2019 Ethiopian Refugee Proclamation, which gave refugees the right to own a SIM card and open a bank account.²⁹

^{22.} Federal Democratic Republic of Ethiopia, Directive to Determine the Procedure for Refugees' Right to Work. Directive No. 02/2019, December 30, 2019, https://www.refworld.org/pdfid/60a503084.pdf. 23. Ibid.

^{24.} Ibid.

^{25.} Strengthening Host and Refugee Populations in Ethiopia (SHARPE). Digital Financial Services: A Step Towards Financial Inclusion for Refugees. December 2022. <u>Digital Financial Services: A Step Towards Financial Inclusion for Refugees</u>

^{26.} UNHCR. "Ethiopia Country Summary as at 30 June 2023." 13 June 2024.

https://reliefweb.int/report/ethiopia/ethiopia-refugee-policy-review-framework-country-summary-30-june-2023

^{27.} Federal Democratic Republic of Ethiopia, Directive to Implement Recognized Refugees' and Asylum Seekers' Right to Work. Directive No. 1019/2024, August 14

https://lawethiopiacomment.wordpress.com/wp-content/uploads/2024/08/refugees-and-asylum-seekers-right-to-work-directive.pdf

^{28.} Ibid

^{29.} Strengthening Host and Refugee Populations in Ethiopia (SHARPE). Digital Financial Services: A Step Towards Financial Inclusion for Refugees. December 2022. <u>Digital Financial Services: A Step Towards Financial Inclusion for Refugees</u>



To open a bank account, refugees need to submit a passport size photograph and their refugee ID, in person or online depending on the bank. Refugee respondents in Addis Ababa did not report challenges in opening bank accounts. Refugees who work either formally or informally are able to get paid on their bank accounts, and do not need a proof of employment to receive payments.³⁰

However, they may struggle to access credit services because financial service providers lack awareness of refugee rights, because application procedures are unclear, and because they may lack savings or collateral when applying for loans.

Box 1. The Fayda ID: a new development that holds promise

Ethiopia recently launched a national ID programme, available to refugees, which may make access to documents easier. The Fayda ID is a "unique 12-digital number issued to all eligible residents under the national ID programme which was established by law (Proc. 1284/2023)."³¹ The new ID card will help refugees access key services "like obtaining SIM cards and school enrollment, as well as opening bank accounts and engaging in financial transactions. Refugee entrepreneurs can also more easily register their businesses."³²

The ID is mostly currently only given to refugees in urban settings. According to the UNHCR at the end of May 2024, "the Fayda ID is being rolled out gradually to the 77,000 refugees living in Addis Ababa, and the ambition is to extend it to Ethiopia's over 1 million refugees." So far, 3,000 refugees have received the Fayda ID in Addis Ababa, with support from the UNHCR.

To apply to the Fayda ID, Ethiopians and refugees must visit a registration centre near their location, which they can find online at: https://id.gov.et/. At the centre, they will be issued a number upon showing their valid refugee ID.

Since the ID program is newly introduced, particularly for refugees, it is difficult to measure whether it has made a positive impact in service provision and in obtaining business licences. The novelty of the process is illustrated by a refugee respondent who says: "The Fayda ID is a very recent development so I can't say much... So far, I have never seen anyone who has used a Fayda ID and business licence registration or has some formal or different form of employment."

Emerging evidence suggests that Ethiopian nationals and refugees receive different Fayda IDs: refugees do not receive a separate Fayda ID, but a Refugee Card that includes a Fayda ID (see Pictures 1 and 2), which some refugees think will be a barrier to accessing social services.

^{30.} UNHCR. "Ethiopia Country Summary as at 30 June 2023." 13 June 2024.

https://reliefweb.int/report/ethiopia/ethiopia-refugee-policy-review-framework-country-summary-30-june-2023

^{31.} Seid Yimam Mohamed & Fabrizio Santoro. "Ethiopia's national digital ID: A breakthrough for tax system transformation?" May 9, 2024, https://www.ictd.ac/blog/ethiopia-national-digital-id-breakthrough-tax-system-transformation/

^{32.} UNHCR. "Inclusion in Ethiopia's ID system opens new doors for refugees." May 24, 2024.

https://www.unhcr.org/news/stories/inclusion-ethiopia-s-id-system-opens-new-doors-refugees

^{33.} Ibid.

^{34.} Ibid.



Picture 1. Sample Fayda ID for Ethiopian national (Fayda for Ethiopia website)



Picture 2. Refugee ID with Fayda number on the back







Policy Gaps

Despite significant policy evolutions in refugees' access to the labour market in Ethiopia, significant gaps remain that prevent refugees to become self-reliant: notably limitations to freedom of movement, and to liberal professions.

Freedom of movement remains limited, limiting refugees' access to job opportunities.

Only a small proportion of the refugees in Ethiopia are able to meet the conditions for self-sufficiency, currently 10% of the refugee population.³⁵ Part of this urban caseload self-relocated during the Ethiopia-Tigray war in 2021-2022 without meeting conditions, but subsequently received Out of Camp permits in light of the lack of alternatives.³⁶ opportunities in and around camps are very limited, except for ioint projects and cooperatives.

Although refugees are allowed to work in the liberal professions, profession-specific regulations make it difficult for them to do so.

Refugees who wish to practise a liberal profession - such as lawyers and doctors - are allowed to work provided they obtain a licence from the relevant Ethiopian body. But because "discrepancies between the Refugee Proclamation and the various profession-specific regulations,"37 it is unclear how refugees can authenticate diplomas and certificates from their country of origin, or obtain the right to work in Ethiopia if they obtained their diploma in Ethiopia. As a result, no refugee has been able to work in a liberal profession, according to UNHCR.

Some professions are restricted for refugees.

Although refugees are allowed to engage in wage-earning employment upon obtaining a work permit, refugees are restricted from being employed as civil servants,³⁸ in the Security, Foreign Affairs, and other similar political establishments.³⁹

^{35.} UNHCR. "Ethiopia Country Summary as at 30 June 2023." 13 March 2024.

https://reliefweb.int/report/ethiopia/ethiopia-refugee-policy-review-framework-country-summary-30-june-2023

^{36.} Ibid.

^{37.} Ibid.

^{38.} The Federal Civil Servant Proclamation,



Gaps in Practice

Structural challenges have slowed the implementation of the 2019 Proclamation, limiting access to residence and work permits for refugees in Ethiopia. 15,000 permits have been delivered since the Proclamation was issued.³⁷ Following the 2019 Proclamation, Ethiopia faced both the COVID-19 pandemic and the conflict between Ethiopia and the Tigrayan People's Liberation Front, leading to the suspension of "registration, documentation, and access to asylum [...] with notable exceptions for the new arrivals from Somalia and Sudan emergencies in 2023,"41 up until June 2023, significantly slowing the implementation process.

However, recent developments suggest that implementation is improving. A key change in improving access to work and residence permits was the transfer of responsibility for issuing work and residence permits from the Ministry of Labour and Skills (MoLSA) to the RRS. In November 2022, RRS signed a Memorandum of Understanding with MoLSA, transferring to RRS the authority to issue both residence and work permits, previously held by MoLSA.42 The centralisation of refugee documentation within the RRS has led to greater efficiency in the delivery of work and residence permits to despite remaining refugees, challenges explored in Section 2.

Remaining coordination challenges still limit the realisation of refugee rights. In a report uploaded in March 2024, the UNHCR reported "weak coordination between RRS, line ministries, State Departments and service providers, lack of harmonisation with other laws, and limited capacity of national systems to integrate refugees."⁴³ This prevents refugees from obtaining business licenses, TINs, or the right to work in liberal professions.

RRS reported that one of their priorities is to enhance coordination among different government institutions involved in assisting refugees to get documents they need in order to get employment. The Fayda ID introduction may help coordination, but it is likely to take some time before all stakeholders are aware that refugees can use the Fayda ID.

Coordination is also limited by lack of awareness among government institutions, and at the regional level. In urban settings, government organisations may not be fully informed about recent agreements, such as the Memorandum of Understanding between RRS and MoLSA, and will not recognise refugee documents. At the regional level, UNHCR reports that "there is limited information on the policy environment at the Regional Government level across all refugee hosting areas."44 This makes it more difficult for refugees to access services, register for businesses, or to receive work permits outside of Addis Ababa. In some cases, refugees report that government officials or police are not aware that refugees can be legally employed, exposing them to harassment.

→ To conclude section 1, while policies and directives exist and are progressively implemented, there is a need for further associated rights and increased awareness among stakeholders involved in the labour market.

^{40.} UNHCR. "Ethiopia Country Summary as at 30 June 2023." 13 March 2024.

https://reliefweb.int/report/ethiopia/ethiopia-refugee-policy-review-framework-country-summary-30-june-2023

^{41.} Ibid.

^{42.} Ibid.

^{43.} Ibid.

^{44.} Ibid.

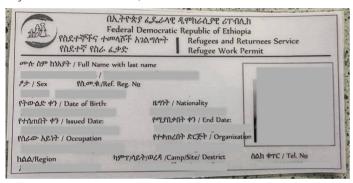
2. Processes to Obtain Residence and Work Permits



Work Permit for Wage-Earning Activities

There are three ways in which recognised refugees can engage in formal employment in Ethiopia: 1) engagement in wage employment, 2) engagement in joint projects, and 3) self-employment, and 3). Each of these pathways has its own requirements and a step-by-step process to follow in order to obtain the necessary documents and permits.

Picture 3. Work permit (holder's personal information retracted)



Box 2. Required documents for a work permit ⁴⁵

Refugees and asylum seekers who wish to obtain a resident permit are required to submit:

- A duly completed personal history form (See Picture 4)
- An Identification Document
- 4 Passport size, not more than six months old, photographs
- The application letter ('Application for Work Permit as Recognized Refugee/Asylum Seeker' - Annex)

The application is free of charge to refugees and asylum seekers.

A recognised refugee who wishes to work in a wage-earning employment must obtain **a work permit issued by the RRS.** Refugees and employers are required to renew work permits annually.⁴⁶

The 2024 Right to Work Directive allows both employers and refugees to apply for work **permits.** This formalises previous practice: under the 2019 Right to Work Directive, employers were responsible for applying for a work permit on behalf of the refugees they wished to employ, and the work permit was only valid for work with the original employer.⁴⁷ However, since the issuance of work permits was transferred to RRS, there was evidence that refugees could apply independently and receive work permits, without support from an employer and a support letter from RRS. All refugees RLRH interviewed by the had independently: the employers did not apply on behalf as required in the their Proclamation. As described by an employer: "Nowadays, refugees apply for work permits themselves because they are issued by RRS. It is easier for them to get work permits compared to us applying for them because it is difficult for us to justify why we want to hire a refugee when there are Ethiopians who can do those jobs."

Refugees intending to obtain work permits are required to fill an online service request form available at https://drcs.rrs-eth.org/service/create. Once they have submitted the online form, they are invited to RRS to submit physical copies of their documents. Upon verification, they are issued work permits. A step-by-step process, to be disseminated separately to refugee applicants, can be found in Annex 1.

^{45.} Federal Democratic Republic of Ethiopia, Directive to Implement Recognized Refugees' and Asylum Seekers' Right to Work. Directive No. 1019/2024, August 14,

https://lawethiopiacomment.wordpress.com/wp-content/uploads/2024/08/refugees-and-asylum-seekers-right-to-work-directive.pdf

^{47.} Ethiopia: Directive 02/2019 to Determine the Procedures for Refugees Right to Work, 30 December 2019, https://www.refworld.org/legal/decreees/natleabod/2019/en/123769



Work Permits for Wage-Earning Activities

Employers can still apply on behalf of refugees – but need to provide additional documentation. Although it appears to be rare in practice, employers interested in hiring refugees can also apply for work permits on behalf of the refugees they wish to employ. In this case, employers must provide, in addition to the same documents:

- **A.** an application form (see Annex X)
- **B.** a "competency certificate," if required for the position or profession
- **C.** "an offer letter of employment contract" ⁴⁸
- D. registration certificates depending on the nature of the employing organisation: business licence or investment permit for traders; registration certificate from the Civil Societies Registration Service for

NGOs, registration certificate from "the competent authority" for religious institutions. 49 Employers are also subject to paying a fee of 2,000 birr (about 17 USD) for work permit issuance 50

NGOs have also applied on behalf of refugees to facilitate the process. Education and training institutions and NGOs provide essential training and assistance in obtaining work permits for refugee trainees in various sectors, including IT, tailoring, agriculture and mechanics. Training institutions and NGOs have successfully applied for work permits on behalf of the refugees they support. When selecting trainees, these institutions submit the list of prospective trainees to the RRS to check whether any of them have benefited from training in the past. They can then apply for a work permit before or after the training.

Picture 4. Personal history form template

1) Full Name: (as per Service-Issued ID) 2) Date of Birth: 3) Nationality: 4) Service-Issued ID Number: Part 2: Education and Skills 1) Highest Level of Education: 2) Relevant Skills and Work Experience: (List previous jobs, companies, locations, and dates of employment) Attach CV	3. Refugee/Asylum Seeker Persona	l History Form
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Part 3: Language Skills: Languages Spoken: (List languages and fluency level) 1.	2) Relevant Skills and Work Experi	ience: (List previous jobs, companies, locations,
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^{48.} Federal Democratic Republic of Ethiopia, Directive to Implement Recognized Refugees' and Asylum Seekers' Right to Work. Directive No. 1019/2024, August 14,

https://lawethiopiacomment.wordpress.com/wp-content/uploads/2024/08/refugees-and-asylum-seekers-right-to-work-directive.pdf

^{50.} Council of Ministers Regulation No. 394/2016

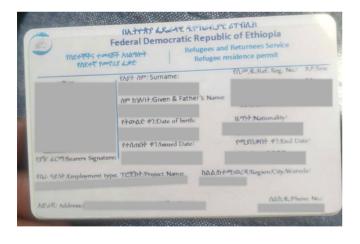


Residence Permits for Joint Projects

Refugees who are engaged in joint projects with Ethiopian nationals must apply for a residence permit after being selected by both the RRS and the government agency implementing that joint project. ⁵¹ Joint projects currently focus on agriculture and generally take place in refugee-hosting areas, near the main camps.

Conditions to apply are that refugee applicants fulfil "the criteria set out by the project and is selected to participate in the project based on a procedure determined by the Service Office"52 and are not currently "investigated or charged in connection with breach of security or crime."53 The 2024 Directive repealed the need to have "lived in Ethiopia for three (3) years after being granted refugee status."54

Picture 5. Residence permit (holder's personal information retracted)



Box 3. Joint projects in Ethiopia

According to Article (26) of the 2019
Refugee Proclamation, government entities mandated to implement joint projects are allowed to offer employment opportunities to recognised refugees. In a 2023 report that measures the progress of the 2019
Refugee Proclamation against pledges made at the Global Refugee Forum in 2019, Ethiopia reports that they created close to 130,000 economic opportunities for "refugees and host communities in the agriculture and livestock sectors through 14 joint projects with development and humanitarian partners," surpassing their objective of 90,000 job creations. 56

Joint projects are carried out by multiple partners and stakeholders to facilitate and provide economic opportunities and support for refugees. Most of these projects are partnerships between the government of Ethiopia, sometimes with specific ministries and departments such as the Ministry of Labor and Social Affairs, Returnees and Refugees Service, intergovernmental organisations such as the UNHCR, ILO, and non-governmental organisations.

^{51.} Ethiopia: Directive 02/2019 to Determine the Procedures for Refugees Right to Work, 30 December 2019, https://www.refworld.org/legal/decreees/natlegbod/2019/en/123769

^{52.} Federal Democratic Republic of Ethiopia, Directive to Implement Recognized Refugees' and Asylum Seekers' Right to Work. Directive No. 1019/2024, August 14,

https://lawethiopiacomment.wordpress.com/wp-content/uploads/2024/08/refugees-and-asylum-seekers-right-to-work-directive.pdf

^{53.} Ibid.

^{54.} Federal Democratic Republic of Ethiopia, Directive to Determine the Procedure for Refugees' Right to Work. Directive No. 02/2019, December 30, 2019, https://www.refworld.org/pdfid/60a503084.pdf

^{55.} https://www.refworld.org/legal/decreees/natlegbod/2019/en/30352

^{56.} UNHCR. "Ethiopia Country Summary as at 30 June 2023." 13 March 2024. https://reliefweb.int/report/ethiopia/ethiopia-refugee-policy-review-framework-country-summary-30-june-2023



Residence Permits for Joint Projects

Resident permits are only valid for the joint project for which the permit was granted.⁵⁷ Refugees can apply for the renewal of their residence permit "within two (2) months prior to the expiry of the residence permit,"⁵⁸ but the duration of residence permit (previously five years) are not stated in the 2024 Directive.

Access to residence permits is directly coordinated by the implementing agency of the joint project. Refugees do not typically apply independently. Instead, they submit their documents to the agency, which transfers the documents to RRS. RRS then issues the residence permits to refugees.

Box 4. Required documents for a residence permit ⁵⁹

Refugees who wish to obtain a resident permit are required to submit:

- Completed application for a residence permit
- A renewed identification paper issued by the Agency confirming his refugee status
- Four passport size photographs of the refugee
- Marriage certificate if the residence permit is being requested for the refugee's spouse
- Birth certificate if the residence permit is being requested for a minor child;
- The Agency's certification to other family members
- Employment contract or evidence of a valid business licence or membership of a cooperative union where appropriate

^{57.} Federal Democratic Republic of Ethiopia, Directive to Determine the Procedure for Refugees' Right to Work. Directive No. 02/2019, December 30, 2019, https://www.refworld.org/pdfid/60a503084.pdf.

^{58.} Federal Democratic Republic of Ethiopia, Directive to Implement Recognized Refugees' and Asylum Seekers' Right to Work. Directive No. 1019/2024, August 14,

https://lawethiopiacomment.wordpress.com/wp-content/uploads/2024/08/refugees-and-asylum-seekers-right-to-work-directive.pdf 59. lbid.



Engagement in Commercial Activities

Prior to the 2024 Right to Work Directive, evidence on business licences was contradictory. Interviewed refugees reported that they could not access business licences because they could not receive a Tax Identification Number (TIN) - a requirement to obtain a licence. On the other hand, the UNHCR Ethiopia Country Refugee Response Plan reported that 304 business licences had been issued to refugees as of April 2024, but there is no further information. Refugees who received business licences may have been the first to receive Fayda IDs.

The 2024 Directive has clarified the process and confirmed that refugees can receive a TIN and register their businesses. According to the Right to Work Directive 2024, 60 refugees have the right to engage in commercial activities and self-employment individually or as a group, but must first be registered in the Commercial Register. 61

The process for refugees and asylum seekers to register businesses as Sole Proprietor and obtain a business licence takes place online at https://www.business.gov.et/business/need/946b03bf-ee08-47c8-9a28-c86129175782 or at the District-level Trade and Industry Bureau and is as follows:

- Applicants must first register their business names by submitting: "a) Identification Document or Fayda Number of the applicant, original & copy b) Renewed Id or Passport, if the application is made through an Ethiopian agent, original & copy c) Draft memorandum of Association d) At least three (3) alternative business names."⁶²
- Applicants then must submit a request for commercial registration by providing: "1) Identification Document or Fayda Number of the recognized refugee or asylum seeker, 2) A photograph not older than 6 months of the recognized refugee or asylum seeker 3) Tax Identification number."⁶³ Applicants can also submit through an agent.⁶⁴
- Finally, applicants apply for a business licence, by providing: "1) Identification Document or Fayda Number of the Refugee or Asylum Seeker [...] 4) Photograph of the General Manager not older than six months 5) Tax Identification Number (TIN) 6) If the sector requires competency certification, a competency certificate from the appropriate organ."65 Applicants can also submit the application through an agent.66

The team did not interview refugees and asylum seekers who have gone through this process, which has been updated by the 2024 Directive.

^{60.} UNHCR. "UNHCR Ethiopia Country Refugee Response Plan (January - December 2024)" April 2024,

 $[\]frac{\text{https://reliefweb.int/report/ethiopia/unhcr-ethiopia-country-refugee-response-plan-january-december-2024\#:}{\sim:text=Under\%20the\%20co}{\%2Dleadership\%20of.to\%20respond\%20to\%20the\%20needs}$

^{61.} Federal Democratic Republic of Ethiopia, Directive to Implement Recognized Refugees' and Asylum Seekers' Right to Work. Directive No. 1019/2024, August 14,

https://lawethiopiacomment.wordpress.com/wp-content/uploads/2024/08/refugees-and-asylum-seekers-right-to-work-directive.pdf

^{62.} Ibid.

^{63.} Ibid.

^{64.} Ibid.

^{65.} Ibid.

^{66.} Ibid.



Engagement in Commercial Activities

Tax Identification Number

Refugees can obtain TIN independently or as a business, for the purpose of declaring and paying taxes at the District-level Revenue office. According to the 2024 Directive, individual refugees must provide: "a) A duly completed application form prepared by the tax collecting authority b) Identification Document or Fayda Number c) Photograph of the applicant not older than six months d) A confirmation letter from the Service Office for his business address, or a rental agreement, or proof of ownership."67



Eritreans receiving aid in ethiopia. Photo by EU/ECHO/Malini Morzaria



Challenges Faced by Refugees in Accessing Residence and Work Permits

The process of applying for work permits is described as straightforward: refugee applicants do not report major challenges in the application process. However, they report delays in scheduling appointments and receiving work permits. The RRS expected that issuing these documents at RRS level would minimise the time it takes for a refugee to obtain a work permit from MoLSA, but delays persist. According to RRS staff, appointment notifications should be made within 14 working days and applicants can check the status of their appointments online. However, they also acknowledged that if they receive a large number of applications, it may take longer than 14 days to arrange an appointment.

Delays are especially significant for camp-based refugees who apply for work permits. Refugees registered in camps must process their documents with RRS at the camp level before moving to urban areas for work permits. The process can be lengthy, taking a minimum of six months, and sometimes longer, depending on various factors, as shared by a respondent: "To get the paper for a work permit, it takes a minimum of 6 months."

The renewal of refugee IDs and work permits may be a challenge during periods of instability. Ethiopia stopped renewing documentations during COVID-19, and 2022-2023 because of the conflict between Ethiopia and the Tigravan People's Liberation Front. This was noted by a refugee respondent: "For some time, like 2 years, renewal of refugee ID was stopped. I think this was related to the war in Tigray." Otherwise, respondents do not report challenges around work permit renewal: in practice, they do not need to prove that their employer has trained members of the host community to take over the refugee's position.

Box 5. Delays in getting work permits reported by refugees

"I had to wait for about 2 months before I was called by RRS to go with my original documents for verification. After verification, a month has already passed now without them (RRS) giving me any feedback."

"It is true that we are getting work permits from RRS but the process is still slow [...] It takes 3 to 4 months to process a work permit. I don't know what is still wrong there."



Challenges Faced by Refugees in Accessing Residence and Work Permits

Delays can mean that some applicants miss out on the jobs they were promised and end up using work permits to get jobs in other organisations than the one they indicated when applying for a work permit. Although work permits are supposed to be tied to a specific job, in practice refugees are able to use their work permits to access different work opportunities.

→ To conclude section 2, access to work permits and residence permits has improved, but delays persist, leading refugees to miss out on work opportunities.

Box 6. Profile of refugees who successfully applied for work permits in Ethiopia

There is no available breakdown of the nationalities, gender and occupation of refugees who have received work permits in Ethiopia. Nationality appears to be a key factor in obtaining work permits, because of structural differences between refugee nationalities. Most out-of-camp refugees are Eritrean, and are therefore more likely to have networks in cities where economic opportunities exist, and to have learned Amharic through sustained interactions with the host community.



Worker in Addis Ababa, Ethiopia. Photo by Abuti Engidashet

3. Challenges Faced by Private Sector Actors to Employ Refugees



Challenges Faced by Private Sector Actors to Employ Refugees

In practice, urban refugees work informally in several economic sectors. Examples include, among others: schools that engage refugees from French-speaking countries as French language teachers; hospitality and restaurants; manufacturing; transport services; and reparation services.

is limited There evidence of private companies applying for work permits on behalf of refugees, as described in section 2. Available evidence suggests that private companies either 1) hire refugees informally; 2) receive assistance from a third party, such as a training centre or NGO; or 3) ask refugees to obtain a work permit on their own before hiring them. As a result, private companies rarely engage in the work permit process, and therefore have not reported challenges related to the process.

In Ethiopia, most challenges to refugee inclusion in the formal private sector relate to perceptions of refugees from employers rather than administrative requirements in practice: in short, private companies do not consider hiring refugees, or are reluctant to hire refugees.

Private companies do not usually see a direct advantage in hiring refugees over Ethiopian nationals. 68 Employers may not find the hard skills of refugees attractive, as many have an agricultural background rather than skills related to factory or professional work. 69 Many refugees in Ethiopia have low levels of education and lack networks with employers, due to their personal

history of protracted displacement and prolonged stay in camps. Few have professional diplomas or university degrees obtained in Ethiopia or accredited by the relevant body. Refugee-assisting NGOs highlighted the soft skills of refugees resulting from their experience of displacement: refugees tend to be highly committed, resilient and have good interpersonal and language skills, which can be an asset to employers.

Some employers may perceive the presence of refugees as temporary, which affects their willingness to invest in training them. One employer shared, "Most of the refugees that are coming to our company are coming as trainees. They come and do their job and go. Some of them are serious and good, and some are not good. This is similar to the Ethiopians. But most of them are using these opportunities as transit. Hence, I do not want to hire them and waste my time training them."

On the more negative side, employers may be actively discriminatory against refugees, or be concerned with community backlash, especially in places where relations between host communities and refugees are more tense.⁷⁰

Even if they were open to hiring refugees, private companies are unlikely to know that refugees have the right to work, and/or about the work permit process. There is a general lack of knowledge about the process and feasibility of hiring refugees.

^{68.} As mentioned by previous research, companies have little knowledge of refugees, and their potential as "consumers, suppliers, or employees." Joicey, Paul, "Bringing Together Refugees, Host Communities, and the Private Sector in Ethiopia." DAI. June 2023. https://dai-global-developments.com/articles/bringing-together-refugees-host-communities-and-the-private-sector-in-ethiopia/?ref=pubs.ghost.io
69. Woldetsadik, Tadesse Kassa, Fasil Mulatu, and Jettu Edosa. "Ethiopia's Refugee Policy Overhaul: Implications on the Out of Camp Regime and Rights to Residence, Movement and Engagement in Gainful Employment." Journal of Ethiopian Human Rights Law, Center for Human Rights, Addis Ababa University June, 2019. https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3406620
70. This is especially in the Somali region. See: Graham, Jimmyand Sarah Miller. "From Displacement to Development-How Ethiopia Can Create Shared Growth by Facilitating Economic." Center for Global Displacement and Refugees International. 2021. https://www.refugeesinternational.org/reports-briefs/from-displacement-to-development-how-ethiopia-can-create-shared-growth-by-facilitating-economic-inclusion-for-refugees/



Challenges Faced by Private Sector Actors to Employ Refugees

Some employers are unaware that it is even possible to formally hire refugees in Ethiopia. This confusion is evident in some of their statements: "Formally hiring them is costly, and I don't know anyone so far who is employed," and "I don't have the slightest clue. I don't even know the process of this." The quality of the work permit document may also raise questions among employers as to whether it is a valid document issued by a government institution. During a key informant interview, a refugee respondent said: "The document [work permit] itself is a weak document. It doesn't have any real meaning. The seal is not visible and it looks like a photocopy."

Even when they obtain work permits and get hired by a private sector actor, refugees struggle to access decent work. Many refugees reported being paid less than Ethiopian counterparts, in both the formal and informal sector. The main issue reported by refugees is that they do not have access to the TIN, and therefore cannot register for pension funds and for tax payments. As a result, some employers pay them as "incentive workers," and do not employ them formally. This creates a significant financial barrier for refugees, limiting their ability to achieve economic self-sufficiency and improve their living standards.

→ To conclude section 3, finding a job is a challenge for refugees in Ethiopia. Skill mismatches and lack of awareness of their right to work make them uncompetitive with Ethiopians in the labour market, and unattractive to employers. As a result, refugees end up in low-paid jobs that do not help them become self-reliant, even if they hold work permits.

Box 7. Discriminatory practices in hiring refugees, reported by refugee respondents

"They didn't say anything to me in my face but I saw their face changed when I showed them my ID. I don't know, maybe they thought I had an Ethiopian ID or something like that. But when they found out that I am a refugee, they changed their faces."

"There is a problem with Ethiopians as well if you allow refugees to work. Everyone will say why you are employing refugees while there are Ethiopians not employed."

"Refugees [...] are not allowed to get paid well. Because of this reason, it is impossible to say there is a similar policy between refugees and Ethiopians."

Box 8. A refugee working in Addis Ababa

"I am working in various jobs here in the city. I applied for a work permit as an IT programmer but I am currently working in a different sector. I am working here in Addis from morning until eight o'clock. Before that job, I was employed by another transportation company as a ticket seller. Here in the city, if you are committed to search for employment, jobs are there but refugees don't work like nationals, we work as incentive workers. Soon I am planning to start a shop selling computer equipment and repairing computers."

^{71. &}quot;Incentive work" is a term that was routinely used by refugees in interviews. In this case, it is clear that they are comparing the salary paid by humanitarian organisations in exchange for volunteering in the camp with the lower salaries they receive as hired workers under the policy. In theory, incentive work only applies to RRS and humanitarian organisations in Ethiopia, not to employers.

4. Collaborations and partnerships



High-Level Collaborations

While Ethiopia has launched several high-profile collaborations, some are no longer active, or information is not available online about their progress. Notably, Ethiopia is one of the pilot countries for the Comprehensive Refugees Response Framework (CRRF), which aims at building refugee self-reliance and easing pressure on hosting countries. However, recent sources report that CRRF coordination structures are not currently active, except in the region.72 Coordination fragmented, but there are increasing efforts to improve collaborations around self-reliance and livelihood among stakeholders.

International donors have made significant investments towards refugee economic inclusion, but those have not led to measurable outcomes. One notable effort is the Jobs Compact (2018-2025), funded by the the Bank. European Investment Commission, and the UK Department for International Development. The Jobs Compact aimed to accelerate industrialisation in global industrial value chains (such as textile) to create jobs for both refugees and host communities. The disbursement of funds under the Jobs Compact is linked to various factors, one of which is the issuance of residence permits to refugees, with the objective of reaching a goal

of 30,000 permits.⁷³ There is no up-to-date information about the outcomes of the Jobs Compact, and it is not mentioned in the latest UNHCR Country Summary from 30 June 2023 2024).⁷⁴ Anecdotal (published in March evidence suggests that jobs in industrial parks are not attractive to refugees, and therefore not taken up. Instead, residence permits have been allocated to refugees engaged in joint projects in the agricultural or energy sector refugee-hosting areas, rather than industrial parks.

Several projects were designed to supplement the Jobs Compact, but little is known about their results. These projects include the Refugee Integration and Self-reliance Project in Ethiopia (RISE) funded by the Netherlands, 75 the International Finance Corporation and UNHCR Joint Initiative to support private sector engagement, 76 the GIZ 'Creating employment perspectives for refugees and host communities project,⁷⁷ Ethiopia' and the 'Strengthening Host and Refugee Populations in Ethiopia (SHARPE),'78 among others. Little information is available about their outcomes and lessons learned, as most are still ongoing.

^{72.} UNHCR. "Ethiopia Country Summary as at 30 June 2023." 13 March 2024.

https://reliefweb.int/report/ethiopia/ethiopia-refugee-policy-review-framework-country-summary-30-june-2023

^{73.} Grahamm, Jimmy and Sarah Miller. "From Displacement to Development-How Ethiopia Can Create Shared Growth by Facilitating Economic." Center for Global Displacement and Refugees International, 2021.

 $[\]underline{\text{https://www.refugees international.org/reports-briefs/from-displacement-to-development-how-ethiopia-can-create-shared-growth-bv-facilitating-economic-inclusion-for-refugees/}$

^{74.} UNHCR. "Ethiopia Country Summary as at 30 June 2023." 13 March 2024.

https://reliefweb.int/report/ethiopia/ethiopia-refugee-policy-review-framework-country-summary-30-june-2023

^{75.} SNV Netherlands Development Organisation, "Refugee Integration and Self-reliance Project in Ethiopia (RISE)." Accessed on 27 March 2024. https://www.snv.org/project/refugee-integration-and-self-reliance-project-ethiopia-rise.

^{76.} International Finance Corporation. "Addressing the Impact of Forced Displacement," Accessed on 27 March 2024.

 $[\]underline{\text{https://www.ifc.org/en/what-we-do/sector-expertise/fragile-and-conflict-affected-situations/forced-displacement}}$

^{77.} GIZ. "Creating employment prospects for refugees, IDPs and host communities in Ethiopia," November 2023. https://www.giz.de/en/worldwide/129878.html

^{78.} DAI. "Ethiopia-Strengthening Host and Refugee Populations (SHARPE)." Accessed on 27 March 2024.

https://www.dai.com/our-work/projects/ethiopia-strengthening-host-and-refugee-populations-sharpe?ref=pubs.ghost.io



High-Level Collaborations

Limited information available regarding evaluations, progress and outcomes of refugee support programmes make it difficult to inform future decision making, and is a key gap in the Ethiopian context.

Several organisations provide training to refugees to fill skills gaps, such as the Ethiopian Orthodox Church - Development and Inter-Church Aid Commission (DICAC), ZOA Ethiopia, and the Jesuit Refugee Services (JRS). They also play a role in linking refugees with private sector companies.

For instance, GIZ has carried out various projects on vocational training in Ethiopia, creating employment opportunities and vocational skills for refugees.⁷⁹ Those initiatives are promising, and should be scaled up to address the significant skills shortages within the refugee population.



Addis Ababa, Ethiopia. Photo by Abel Alemseged



Private Sector Engagement

In Ethiopia, the private sector is involved in several initiatives aimed at training and capacity building for refugees, contributing to efforts to integrate them into the workforce. However, despite these efforts, there is limited evidence of meaningful employment outcomes for refugees through private sector involvement. This can be attributed to 1) the lack of attractiveness of refugee hosting areas for investors and the private sector; and 2) ineffective coordination between key stakeholders.

• Lack of attractiveness of refugee hosting areas: UNHCR reports low private sector involvement in refugee hosting areas, and that "refugees are mostly located in the margins of emerging regions where the conditions for stimulating private sector investment are poor."80 RRS and UNHCR identified this gap as a priority in 2024 by promoting "context-specific reforms, such as incentives for domestic and foreign direct investment in refugee hosting areas, access to customised financial services and assistance in establishing backward and forward linkages."81 The results of those efforts have not yet materialised.

 Existing coordination with the private sector is described as fragmented. One organisation explained that "different organisations approach private sectors in their own way." This lack of cohesive and integrated efforts leads to inefficiencies and duplication of work, hindering the overall effectiveness of private sector engagement.

Commitments made at the Global Refugee Forum provide a window into the Ethiopian government's aspirations for refugees. The Ethiopian government committed to the inclusion of refugees in standardisation of identification documents, training and vocational education to meet labour needs, digital connectivity and financial inclusion, and private sector engagement.⁸²

5. Recommendations



Need 1: Improve Access to Documentation

- RRS should raise awareness and provide direct support on how to access the work permits, Fayda ID, TIN and business licences. The 2024 Directive has clarified the rights of refugees, but they may have limited information on how to obtain the documents and how to comply with tax declarations once they have received the TIN. There is a need for more support in navigating the legal and administrative processes for obtaining residence and work permits, as mentioned by a refugee: "the legal and administrative processes are complex and time-consuming. We need help with the bureaucracy and delays in getting our documents." This could be done in collaboration with community leaders, through the distribution of leaflets, and community awareness sessions. Humanitarian development and organisations could also scale up support to refugees in obtaining permits and associated documents, beyond refugees they support directly. While NGOs assist refugees under their support schemes, they could use those lessons to support other refugees. Refugee-led organisations (RLOs) could also play a role in providing support in the dissemination of information relevant to refugee employment and documentation.83
- 2. RRS should strive to reduce delays in issuing work permits. While refugees have access to residence and work permits, they do not often get them in a timely manner. In line with the maxim in law that says the right delayed is a right denied, delayed issuance of permits translates to inaccessibility which can lead to loss of employment offers. Permits should be issued to applicants not more than a month to enable refugees to access the employment for which they apply for the permits. This may require additional resources to process permits, in order to reach objectives set at the GRF.
- 3. The government should expand refugees' freedom of movement. Restrictions around Out-of-Camp policy limit refugees' ability to access private sector opportunities in urban settings, as only few have the required network and support. As suggested by Refugee International in the context of Rwanda, the government could pilot a project to support refugees to work outside the camp for a "trial period, after which they can choose to return to the camp and receive the assistance for which they were eligible,"84 along with housing support for participants in the programme.

^{83.} For more information about refugee-led organisations in Ethiopia, see: Getachew, Abis (2022). "Refugee-Led Organisations in Ethiopia," https://refugeeledresearch.org/

^{84.} Leghtas, Izza and David Kitenge, "Turning Policy into Reality: Refugees' Access to Work in Rwanda." Refugees International. 14 September 2023. https://www.refugeesinternational.org/reports-briefs/turning-policy-into-reality-refugees-access-to-work-in-rwanda/



Need 2: Improve Access to Jobs

- Donors should support the private sector financially to create jobs. Many refugees expressed the need for more job opportunities and support in finding decent work. As stated by a refugee respondent, "we need more job opportunities. It's hard to find work, and even when we do, it's often unstable." With proper support, the private sector could play a key role in creating job opportunities for refugees. Providing financial aid and resources to both refugees and employers through Memorandums of Understanding can significantly enhance employment opportunities. The private sector could be funded to create internship opportunities for refugees, with the condition that they consider hiring them once they have graduated from their internship, if refugees meet their stated requirements.
- 2. Formalise the employment of incentive workers and volunteers in camps. Incentive work is often practised in countries where organisations are not allowed to formally employ refugees. This is no longer the case in Ethiopia, where refugees have the right to work. Restricting refugees to low-paid incentive work without adequate pay or labour protection has a negative impact on refugee workers. This practice has been widely criticised and documented, particularly in refugee camps in Kenya and Malawi. According to a study by Oxfam,85 NGOs often do not provide opportunities for formal training or career progression for incentive workers, which particularly affects young people who are already constrained by limited mobility and employment rights. Instead, there should be a push to formalise refugee employment, ensuring fair wages and career development opportunities. International donors can support this shift by prioritising funding to organisations that facilitate the transition from incentive work to formal employment, ensuring that refugees have access fair to and sustainable employment.



Need 2: Improve Access to Jobs

- **3. Training providers should scale up skill development programmes.** There are several initiatives to offer vocational training to refugees in Ethiopia. 86 Offering technical skill development programs prepares refugees for the job market and increases their employability, but it requires significant investments and linkages with the private sector to yield long-term results. 87
- **Humanitarian and development agencies** should support refugee entrepreneurs. Refugees in Ethiopia are not only recipients of employment but also active contributors the creation of employment opportunities within their communities, often taking on roles typically associated with the private sector. For example, Yemeni businesses may prefer to hire fellow Yemenis due to language barriers and existing networks of trust, effectively creating a niche labour market specifically for their community. Supporting refugee entrepreneurs has the potential to create more employment opportunities for their fellow refugees.



Addis Ababa, Ethiopia. Photo by Abuti Engidashet

^{86.} Projects like Qualification and Employment Prospects for Internally Displaced People, Refugees, and Host Communities in Ethiopia are one example of this type of initiative. During the project's initial phase, GIZ worked with 10 public vocational training colleges in Ethiopia to establish an inclusive program for technical and vocational education training. Over 6,100 Ethiopians and refugees received this training, to help them find entry-level jobs upon graduation. The second phase of the project will run for 4 years (November 2023 – October 2027). The German Ministry of Economic Cooperation and Development as well as the European Union are funding both phases, with the ultimate goal of promoting social cohesion and expanding employment opportunities for Ethiopians and refugees. Qualification and Employment Prospects for Refugees, Internally Displaced People and Host Communities in Ethiopia (QEP II): https://www.giz.de/de/downloads/giz2024-en-QEP-II-in-Ethiopia.pdf

^{87.} An impact report on a GIZ programme which provided vocation training to refugees and host communities suggests that "TVET measures require strong accompanying, contextualising and monitoring. In view of this, scaling up is problematic if resource scarcity lowers the capacity to manage the projects closely and rapidly adapt. For instance, job demands, market dynamics as well as the political environment influencing refugee integration efforts change rapidly [...] Previous studies indicate that labour market effects might take time and only materialise after several years]." See: Abis Getachew, Lisa Höckel, Jana Kuhnt, Abdirahman A. Muhumad & Armin von Schiller (2023). Improving Employment and Social Cohesion among Refugee and Host Communities through TVET: Evidence from an Impact Assessment in Ethiopia.



Need 3: Improve Coordination

- 1. RRS should communicate on the pledges to all sectors involved. The Ethiopian federal government is committed to improving the lives of refugees, as evidenced by its various commitments at the 2023 GRF. To ensure that these pledges are effectively implemented, the Federal Government, through the RRS, needs to inform all government sectors at both the federal and regional levels about the pledges and what is expected of them.
- Donors should provide resources to RRS and UNHCR for awareness raising, information sharing and coordination with the private sector. While the government and stakeholders have made several commitments and launched several initiatives to improve coordination (such as the CRRF), in practice these initiatives are often abandoned or not sustained. One of the main challenges sustaining to coordination mechanisms is the lack of funding to hire coordination staff and organise activities to raise awareness on the policy environment and coordinate internally government) (within externally (with the private sector and other humanitarian and development actors). Donors can play a role in making these sustainable by directly funding a range of coordination activities.
- 3. Humanitarian and development organisations should monitor application of GRF commitments for advocacy purposes. The commitments made by the private sector at the Global Refugee Forum (GRF) to increase economic opportunities and self-reliance refugees in Ethiopia should monitored and evaluated at the national level and can be used as an advocacy tool to encourage the government to fulfil its commitments.
- 4. Stakeholders should systematically share lessons learned from private sector engagement and projects aimed improving refugees' access to the labour market. The limited information available on programme evaluation, progress and outcomes makes it difficult to inform future decision-making and is a key gap to be addressed in the Ethiopian context. Organisations should systematically capture and publicly disseminate lessons learned as a result of projects. They could also share interim updates for longer-term projects whose results will take longer to materialise.

Annexes



Application for Work Permits

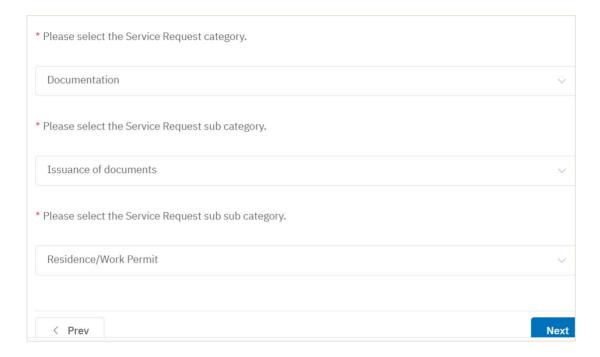
Application Form for Work Permit by the Refugee or Asylum Seeker⁸⁸

Part 1: Applicant Infor	mation
1) Full Name: (as per S	Service-Issued ID)
2) Service-Issued ID N	fumber:
3) Preferred Industry/S	ector: (if any)
4) Preferred Job Title (i	if applicable):
Part 2: Work Permit D	
1) Start Date (if known):	
2) Duration Requested (Years):
Part 3: Attachments	non Deutschaft History France (attached)
, ,	xer Personal History Form (attached) bouse/Child (if applicable - copy of ID) (for exemption from
work permit requirement	
work permit requirement	
Declaration:	
I,	, declare that the information provided in this
application is true and a	accurate to the best of my knowledge. I understand that the
MoLS may verify this in	nformation and may deny the work permit application if any
false or misleading infor	mation is found.
raise or misicading mior	

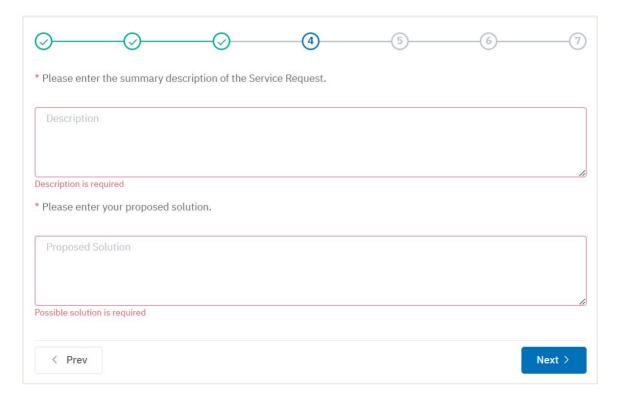


Step-by-step process to obtain a work permit for wage-earning employment in Ethiopia

On page 3: Applicants select the service request location and site, and the service request category. Applicants to work permits should select the "Documentation" request category, then the sub-category "Issuance of documents," and the sub-sub category "Residence/Work permit."



On page 4: Applicants can enter a summary description of the Service Request, and a proposed solution. On this page, applicants should outline the field in which s/he is intending to work in as well, as the prospective employer.





Application for Work Permits

Application for Work Permit for Recognized Refugee/Asylum Seeker 89

Application Form for Work Permit by the Employer

Federal Democratic Republic of Ethiopia Ministry of Labor and Skills (MoLS)

Application for Work Permit for Recognized Refugee/Asylum Seeker
Part 1: Employer Information
1) Company Name:
2) Business Registration Number:
3) Contact Person:
4) Contact Information (Phone, Email):
5) Industry/Sector:
Part 2: Recognized Refugee/Asylum Seeker Information
1) Full Name: (as per Service-Issued ID)
2) Service-Issued ID Number:
Part 3: Work Permit Details
1) Proposed Job Title: (if any)
2) Start Date:
3) Duration Requested (Years):
Part 4: Attachments
1) Copy of Business License/Investment License
2) Refugee/Asylum Seeker Personal History Form (attached)
3) Competency Certificate (if required for the position)
4) Offer Letter/Employment Contract (copy)
Declaration:
I,, declare that the information
provided in this application is true and accurate to the best of my knowledge. I
understand that the MoLS may verify this information and may deny the work permit
application if any false or misleading information is found.
Signature: Date:

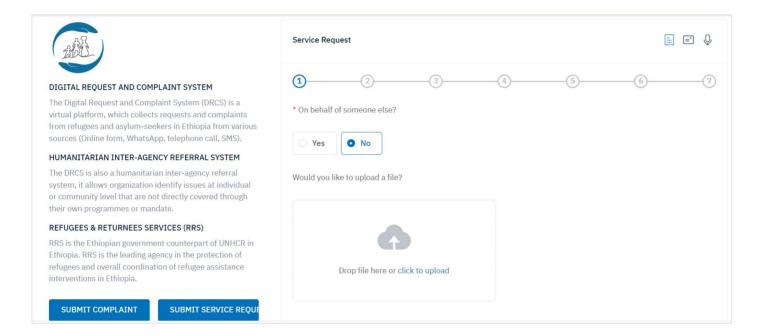


Step-by-step process to obtain a work permit for wage-earning employment in Ethiopia

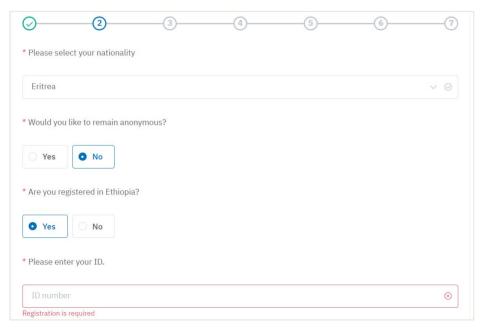
Step 1: Fill out the online application form

Refugees intending to obtain work permits are required to fill an online service request form available at https://drcs.rrs-eth.org/service/create. The website is available in multiple languages.

On page 1: Applicants specify whether they are applying on someone else's behalf. Applicants only have the option to upload files on the first page. Ideally, they should upload: their proof of registration form, IDs, and academic certificates.



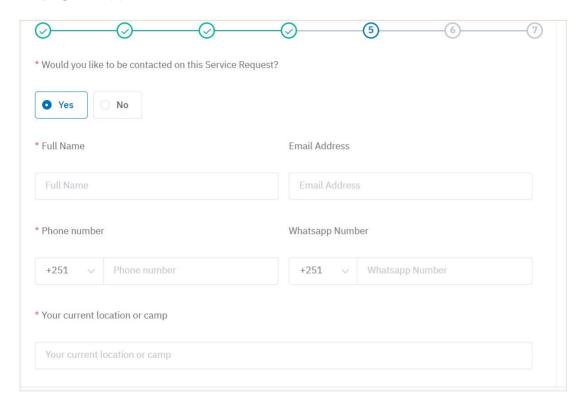
On page 2: applicants select their nationality, whether they would like to remain anonymous, specify whether they are registered in Ethiopia, and enter their ID number.



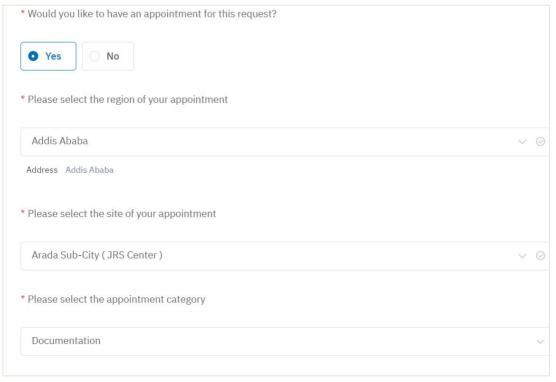


Step-by-step process to obtain a work permit for wage-earning employment in Ethiopia

On page 5: Applicants enter their contact information.



On page 6: Applicants have the option to request an appointment. However, appointments are not currently available for any of the Addis Ababa sites. Applicants should respond 'no' to "Would you like to have an appointment for this request?" because RRS will reach out to them once they have processed their request.





Step-by-step process to obtain a work permit for wage-earning employment in Ethiopia

Of the 4 refugees interviewed who had received the work permit, none said that they had experienced any difficulties in completing the online application.

Step 2: Waiting for the appointment

completing the online application, applicants must wait for an appointment to be scheduled by the RRS to appear in person at the RRS office in Addis Ababa with their original uploaded documents for verification. According to the RRS staff we interviewed, appointment notifications are made within 14 working days and applicants can check the status of their appointments online. However, they acknowledged that if they receive a large number of applications, it may take longer than 14 days to schedule an appointment. This was confirmed by a refugee interviewee who said: "I had to wait for about 2 months before I was called by RRS to go with my original documents for verification. After verification, a month has already passed now without them (RRS) giving me any feedback."

While applicants are waiting for appointments, the RRS does not give any feedback on the status of applications.

Step 3: Appointment

After the RRS has processed the online applications, they schedule appointments for applicants to appear in person in the RRS office in Addis Ababa to submit original hard copies of the document they uploaded. Any applicant found in possession of forged documents is subject to legal actions.

Step 4: Waiting for application outcome

After verification, refugees must wait to be notified whether their applications for work permits have been accepted or rejected. The criteria for success or rejection are at the discretion of the RRS. Nevertheless, cases of rejection are rare, according to a refugee interviewee: "The problem is not getting a work permit, we get a work permit, but now the challenge is to get formal employment. Out of 50 people, you can find only 1 who lacked a work permit. Strangely, the 49 all work informally and have work permits."

The waiting time for the result is unknown. It usually takes between 2 and 6 months to receive a response and the reasons for the delay are not clear to applicants.