PROJECT DOCUMENT

UNDP Ethiopia

Project Title: Introduction of e-Voucher Solution for Relief Distribution in Crisis Recovery Projects in Conflict Affected Northern Ethiopia
Project Number:
Implementing Partner:
Start Date: March 2025 **End Date:** March 2026 **PAC Meeting date:** February 2025

Brief Description
As of May 2024, the Ethiopian regions of Tigray, Amhara, and Afar are grappling with the rapid return of approximately 1.7 million internally displaced persons (IDPs). Tigray hosts the largest share with 878,325 IDPs and 970,265 returnees, Amhara with 174,608 IDPs and 951,931 returnees, and Afar with 81,791 IDPs and 223,313 returnees. The majority of IDPs are women and children. These returns are straining host communities already weakened by conflict, leading to limited access to basic social services and exacerbating existing vulnerabilities. The conflict has severely damaged infrastructure, leaving many areas without adequate healthcare, education, or water and sanitation services. Social cohesion is further undermined by the prevalence of gender-based violence (SGBV) and the absence of effective local governance structures to mediate conflicts and support reintegration efforts. These conditions create a volatile environment where communities are struggling to absorb the influx of returnees, heightening the risk of renewed tensions and instability. The lack of systems and data tracking both the number of IDPs and their access to humanitarian and development support is a major challenge. As Ethiopia recently launched the Durable Solutions Strategy, the lack of clear data meant that figures on IDPs were not indicated. The dynamic nature of displacement has affected the distribution of recovery support to those in need; some benefit depending on their access, while others do not due to a lack of clear monitoring and tracking mechanisms. The overall objective of the project is to enhance the effectiveness, traceability, and accountability of crisis recovery interventions in Tigray, Amhara, and Afar regions by introducing an e-voucher system that supports the sustainable reintegration of IDPs and strengthens community resilience. The total direct beneficiaries are estimated at 10,000, with at least 60% being women, in 2 woredas in Tigray, 2 woredas in Amhara, and 1 woreda in Afar. The expected results of the intervention are to establish an e-voucher system to support and improve access to the sustainable reintegration of IDPs and build/strengthen the capacities of local institutions. The project will be implemented in partnership with NEC Corporation (as a responsible party on certain intervetnions), a Japanese multinational information technology and electronics company headquartered in Tokyo, Japan. The e-voucher system will also be implemented in alignment with national initiatives such as the National Digital ID program of the Ethiopian Government. This joint UNDP-NEC initiative serves as a successful example of connecting technology and innovation from the Japanese private sector to local development contexts to accelerate the achievement of the SDGs.

Contributing Outcome (UNSDCF, CPD, RPD):
Goal 1 (No Poverty), Goal 5 (Gender Equality), Goal 16 (Peace, Justice, and Strong Institutions), Goal 17 (Partnerships)
Indicative Output(s) with gender marker[1]:
GEN2

Total resource required:		$1,000,000
Total resources allocated:		
	UNDP TRAC:	0
	Donor (JSB):	$1,000,000
	Government:	0
	In-Kind:	0
Unfunded:		

Agreed by (signatures)[2]:

Government	UNDP	Implementing Partner
Print Name: Semereta Sewasew State Minister	Print Name: Charu Bist, charu.bist@undp.org	Print Name:
Date:	Date:	Date:

[1] The Gender Marker measures how much a project invests in gender equality and women's empowerment. Select one for each output: GEN3 (Gender equality as a principle objective); GEN2 (Gender equality as a significant objective); GEN1 (Limited contribution to gender equality); GEN0 (No contribution to gender quality)
[2] Note: Adjust signatures as needed

I. Development Challenge (1/4 page – 2 pages recommended)

Situation analysis

More than the protection, safety, food security and shelter needs of IDPs, there is a critical need for better data tracking and monitoring systems to ensure that support reaches those in need, fairly and equitable and also to the measure the effectiveness of interventions. The spontaneous return of IDPs, along with the recent decision by Ethiopian authorities to facilitate their return to the Southern and Northwestern Zones in Tigray, North Wollo Zone in Amhara, and Zone 2 in Afar, presents significant challenges for both the returnees and the displacement-affected communities. In Tigray, the Southern Zone is receiving approximately 300,000 returning IDPs, adding strain to a population of around 1.2 million. Similarly, the Northwestern Zone, with a population of approximately 1.5 million, is dealing with the return of about 250,000 IDPs. In Amhara's North Wollo Zone, 150,000 IDPs are returning to a region with a population of around 1.4 million. In Afar's Zone 2, an area with a population of approximately 370,000, the return of 100,000 IDPs is placing immense pressure on local resources.

For the returning IDPs, the lack of adequate preparation and support poses risks related to inadequate housing, limited access to essential services such as healthcare, water, and sanitation, and the potential for renewed displacement due to unresolved land and property disputes. These individuals are returning to areas where infrastructure remains severely damaged by conflict, and the social fabric of communities has been disrupted, increasing their vulnerability to exploitation and violence, including gender-based violence (SGBV).

For the displacement-affected communities, the sudden influx of returnees exacerbates existing resource scarcities and strains the limited social services available. Many of these communities are already struggling with weakened social cohesion and a lack of effective local governance, which hinders their ability to manage the reintegration process. The competition for scarce resources, coupled with unresolved tensions from the conflict, increases the risk of inter-communal violence and further destabilization. Addressing these challenges requires targeted interventions that not only support the reintegration of returning IDPs but also strengthen the resilience of host communities to prevent further conflict and displacement.

Relevance and alignment of the project with national initiatives and strategies:

Ethiopia has recently launched a durable solutions strategy[3] and associated costed plans to address displacement issues. While the Displacement Tracking Matrix (DTM) provides data, the government lacks confidence in its tracking and data management of IDPs, which is crucial for planning and monitoring the distribution of benefits. Beyond facilitating the return, reintegration, and resettlement of IDPs, a major priority of the strategy is to improve data, coordination, and accountability mechanisms.

The lack of comprehensive and up-to-date data on displacement hampers informed decision-making and effective resource allocation. By enhancing data collection, strengthening coordination, and ensuring accountability at all levels, Ethiopia aims to improve the quality and impact of its responses to internal displacement. The country will prioritize establishing a national data system that consolidates information on displacement trends, the needs of IDPs, and the capacities of local and regional authorities. This system will draw on existing platforms, such as the DTM and other data collection initiatives, linking IDP data verification with national ID systems to create a unified database informing all aspects of the durable solutions process.

The data collected will cover key areas, including demographics, livelihoods, access to services, and conditions in return, integration, and resettlement areas. Improved data collection will enable Ethiopia to track IDP progress and monitor changes in their living conditions, ensuring tailored interventions for IDPs

[3] https://ethiopia.un.org/en/283776-ethiopia-launches-national-strategy-implement-solutions-pathways-internal-displacement

and host populations. Enhanced coordination mechanisms at all levels will prevent duplication of efforts, optimize resource allocation, and ensure effective, sustainable interventions aligned with national and regional development priorities.

Complementarity of the project with UNDP's Peace Support Facility: Contribution to National Resilient Recovery and Reconstruction Framework and Humanitarian Response Plan:

The proposed project is an integral part of UNDP's Peace Support Facility (PSF) and Durable Solutions under the Inclusive Economic Transformation programme, supported by UNDP resources, the German Federal Foreign Office (GFFO), and Japan's JSB. The PSF operates through five thematic windows, focusing on recovery and response, and is coordinated with ongoing initiatives, including a crowdfunding initiative by UNDP Ethiopia. This project aligns with efforts under Windows 1, 3, and 5, enhancing synergies with interventions funded by Germany and Japan. Japan's JSB involvement ensures the project benefits from Japanese expertise and aligns with broader Japanese development cooperation objectives.

UNDP has provided approximately $9 million for the PSF in 2023 and 2024. Germany's GFFO has committed $11.17 million, with an additional $4.34 million confirmed, supporting activities under Windows 1, 2, and 3. Japan's JSB has contributed $1.94 million for Windows 1, 3, and 5 from January 2024 to January 2025. These funds enhance the program's capacity to address IDP reintegration, strengthen social cohesion, and promote sustainable recovery in conflict-affected regions.

The PSF complements the Resilient Recovery and Reconstruction Framework (RRRF) targeting Afar, Amhara, and Tigray regions. UNDP also implements projects like the Durable Solution for IDPs and the Democratic Governance Reform Project for Tigray (DGRP4T) to support IDP reintegration, livelihood recovery, and economic activity restoration. In 2023, UNDP supported over 13,660 vulnerable people (56% women) to access financial and non-financial services, retain businesses and jobs, and increase income and livelihood opportunities in these regions. However, tracing beneficiaries and delivering support in insecure locations has been challenging. Ensuring support reaches women and monitoring disbursement transparently and effectively through technology-enabled solutions like the e-voucher system is crucial.

In this project, collaboration with NEC Corporation will be explored and considered, together with national stakeholders to introduce the e-voucher system. The partnership model will be based on appointed Field Agents to be equipped with Android mobile devices running the e-voucher application. Beneficiary details will be registered in the e-voucher system, including a portrait image for biometric verification. Each beneficiary will be issued a Smartcard containing their demographic information, a facial image template for offline verification, and details of the grant items or value.

Beneficiaries can make purchases at selected retailers or receive distributed relief supplies from Field Agents. In both cases, the Smartcard will be used to record the benefits. All details will be recorded on the mobile device and synchronized with the e-voucher backend system in real-time if connectivity is available, or later once connectivity is established.

The e-voucher system will be installed on a cloud-based platform in Ethiopia to comply with the country's data protection laws, ensuring all data remains within Ethiopian borders. Android Smart Terminals will be provided, pre-installed with the e-voucher system, for officers to register beneficiaries and issue Smartcards. These Smartcards will be used to purchase selected relief items from retailers or receive distributed relief items.

Rationale

(1) Urgency

The Ethiopian authorities and the Interim Regional Administration's decisions to return over 690,000 IDPs to their original communities, without the necessary groundwork for large-scale reintegration, is precipitating a complex crisis. UNDP in collaboration with government authorities, other UN agencies, and INGOs, has conducted three separate Joint Assessment Missions in Tigray, Amhara, and Afar[4]. These missions revealed that tens of thousands of IDPs have already started to return spontaneously without the required support and oversight. For instance, in Tigray, 71,675 IDPs are planned to return to the northwestern zone, and 52,234 to the southern zone, yet over 34,000 IDPs returned spontaneously in the southern zone alone. Similarly, in Afar's Zone 2, over 35,000 individuals are affected by unsupported returns to their communities of origin. The lack of mechanisms to ensure traceability and accountability in the delivery of aid is further complicating the reintegration process and straining the already limited resources of these communities.

Communities receiving these IDPs, already under severe strain, are further burdened by inadequate infrastructure, resources, and services. The sudden influx of returnees, as documented in joint assessment missions, has significantly heightened humanitarian needs and further restricted access to basic social services. The assessments highlighted critical issues such as the lack of access to farmland for returning IDP farmers, intense competition for limited resources, and the absence of effective governance structures. These challenges are compounded by the need for targeted livelihood support and Mental Health and Psychosocial Support (MHPSS) services, which are crucial for stabilizing these communities and ensuring sustainable reintegration.

To regain their capacity to generate income and rebuild their lives, it is essential that IDPs receive rapid and targeted support. The e-voucher system is crucial in providing access to necessary services, including MHPSS and livelihood assistance, which are vital for the successful reintegration of IDPs. Given that IDPs often move from one temporary shelter to another before settling permanently, managing this process presents a significant challenge for local institutions. The e-voucher system will help in better targeting and monitoring the delivery of these critical services, ensuring that the support reaches those who need it most and enabling IDPs to stabilize their livelihoods more quickly.

(2) Necessity of the Intervention

Japan's contribution is crucial to this intervention, particularly given its past commitments to supporting humanitarian and development efforts in conflict-affected regions, including northern Ethiopia. This project integrates Japan's unique initiatives and is aligned with the Japanese Government's "HDP Nexus Multi Stakeholder Pledge," emphasizing humanitarian assistance, development cooperation, and peace efforts that incorporate gender mainstreaming and women's leadership as essential elements[5].

(3) Unpredictability of the Situation

The background of the project was significantly shaped by the unexpected and rapid policy shift in Ethiopia. In May 2024, the Ethiopian authorities announced a sudden decision to facilitate the return of over 690,000 IDPs to their places of origin in Tigray. This decision was not anticipated in its timing or scale, especially given the ongoing conflict, fragile security situation, and inadequate preparations for such large-scale returns. The regions targeted for these returns were still grappling with the aftermath of the Northern Ethiopia Crisis, which had left infrastructure severely damaged and social services disrupted. The authorities in Amhara have Afar have also indicated that IPDs would be returned in North Wollo Zone and in Zone 1, 2 and 6 in Afar.

[4] Both the Joint Assessment Mission in Tigray and in Amhara were conducted from 28 July to 3 August 2024. The mission in Afar was conducted from 24 to 28 July 2024.

[5] "Foreign Minister Kamikawa Attends the Second Global Refugee Forum," December 13, 2023. https://www.mofa.go.jp/ic/ha_er/pageite_000001_00038.html

Moreover, the spontaneous returns of tens of thousands of IDPs without coordinated support exacerbated the situation, creating new challenges for local institutions and humanitarian actors who were already stretched thin. This unplanned mass movement of populations has led to increased vulnerabilities among the IDPs, who are returning to communities with limited access to basic services and heightened risks of violence, including gender-based violence. Additionally, the unpredictable nature of these returns has further complicated the reintegration process, making it essential to implement targeted interventions such as the proposed e-voucher system to ensure that the needs of the most vulnerable are met in a timely and efficient manner.

The sudden and large-scale returns of IDPs, coupled with the pre-existing challenges in the targeted regions, underscore the need for a flexible and responsive approach to humanitarian assistance. The proposed project directly addresses the unforeseen challenges that have emerged since April 2024, aligning with JSB2024's focus on responding to crises triggered by unexpected events such as natural disasters, conflicts, and epidemics.

(4) Un-substitutability of the Situation

The Japan Supplementary Budget (JSB) is crucial for addressing the current needs in the conflict-affected regions of Tigray, Amhara, and Afar due to its ability to provide timely and flexible funding that is not available through regular channels or from other donors. The unique challenges posed by the spontaneous and large-scale return of IDPs, coupled with the urgent need for targeted, traceable, and accountable interventions like the proposed e-voucher system, require a funding source that can rapidly respond to evolving needs on the ground. Regular funding mechanisms often lack the flexibility and speed needed to address such unforeseen crises, particularly when they involve the complex logistics of reintegrating vulnerable populations into communities that are still recovering from conflict.

Unique Requirements of the Situation and Strategic Importance of Japanese Involvement: Other major funding sources, such as USAID/BHA and the Ethiopia Humanitarian Fund (EHF), primarily focus on immediate humanitarian needs like food assistance, emergency shelter, and health services. These sources have limited resources available for livelihoods support and interventions specifically targeting displacement-affected communities, particularly in the context of facilitating the sustainable reintegration of IDPs. The JSB's flexibility allows for the rapid deployment of innovative solutions, such as the e-voucher system, which is designed to enhance the targeting and delivery of livelihoods support and other essential services to the most vulnerable populations, including women and youth.

The strategic involvement of Japan through the JSB is essential because it aligns with Japan's commitment to humanitarian assistance and the promotion of sustainable development in conflict-affected regions. Moreover, the JSB's capacity to fill critical gaps that other funding sources cannot address due to their more rigid allocation processes makes it the most suitable and necessary source of funding for this project. This is particularly important in the context of Tigray, Amhara, and Afar, where the reintegration of IDPs is a pressing issue, and alternative funding sources are either unavailable or insufficient to meet the comprehensive needs of these communities.

(5) Consistency

The supplementary budget for the TICAD (Tokyo International Conference on African Development) package is designed to enhance business activities in Africa by fostering public-private partnerships involving Japanese companies. This initiative will be a key focus at TICAD 9, scheduled for August 2025. From the African perspective, this effort aims to expand trade and investment from Japan, establish business partnerships, and co-create innovative solutions.

Under the slogan "Co-create innovative solutions with Africa," the initiative emphasizes the use of Japanese technology and expertise (often branded as "Made with Japan") to contribute to Africa's development goals, specifically aligning with the African Union's Agenda 2063. Agenda 2063 is a strategic framework for the socio-economic transformation of the continent over the next 50 years, aiming to accelerate initiatives for growth and sustainable development.

The TICAD package will support various projects and collaborations that leverage Japanese technological advancements and business practices. These collaborations are expected to: among others to promote;

1. **Innovative Solutions**: The focus on co-creating innovative solutions means that Japanese companies will work closely with African partners to address local challenges using advanced technologies and innovative approaches. This could include areas such as renewable energy, smart agriculture, healthcare, and digital transformation.
2. **Capacity Building**: Through these partnerships, there will be opportunities for capacity building and skills development for the African workforce. This will ensure that local communities benefit from the technological and business advancements introduced by Japanese companies.
3. **Sustainable Development**: Aligning with Agenda 2063, the projects will aim for sustainable development, ensuring that economic growth does not come at the expense of environmental and social well-being.

By integrating Japanese technology and know-how into African development projects, the TICAD package aims to create a mutually beneficial relationship that drives progress towards the ambitious goals set out in Agenda 2063.

II. STRATEGY (1/2 PAGE - 3 PAGES RECOMMENDED)

2.1 Objective and theory of change:

The overall objective of this project is to enhance the effectiveness, traceability, and accountability of crisis recovery interventions (including provision of durable solutions to IDPs) in Tigray, Amhara, and Afar regions by introducing an e-voucher system that supports the sustainable reintegration of IDPs and strengthens community resilience. The total direct beneficiaries are estimated at 10,000 with at least 60% women in 2 woredas in Tigray and 2 woredas in Amhara and 1 woreda in Afar. The theory of change is built with

Asuming that;

- The actual number of IDPs in Ethiopia is not yet agreed because of various factors include lack of proper data collection system. Despite the DTM is there, however the doubt on methodology, and double countring of IDPs that led for unfair distribution of benefits has demanded new instruments such as national ID and the e-Voucher
- Technology might provide solution to avoid ambiguity on number of IDPs and help the government to have transparent and accountable reporting, monitoring and tracking of benefits to IDPs

If

- The the seleted IDPs in the selected target areas would be registrated using the NEC approach on e-voucher; which in turn would be aligned with National ID program
- If the capacity of the local administration is built to execute the initative and have political will to ensure benefit distribution fairly and equitably;

- Based on the successful registration of beneficiaries using the e-Voucher, benefit package are associated with the system where IDPs will enjoy the service;

Then

- Benefits will be distributed fairly and transparently
- Accountability mechanism in addressing the needs of IDPs is ensured;
- Reosurce use efficiency is enhanced and maximized as benefit distribution is monitored;
- Successful monitoring and tracking system will be in place and finally Ethiopia may want to scale up the initative into other programs such as PSNP.

This would be achieved through a strategy of introducing a digital, innovative and sustainable mechanisms/approach that has been tested and demonstrated in other areas. This approach has been tested and proven in other countries such as in Mozambique where NEC in partnership with FAO, were able to distribute government relief distributions for 50,000 beneficiaries. Again, in partnership with UNDP in Namibia, NEC has successfully implemented a similar project by introducing e-voucher agriculture and food granting solutions that helped improve productivity and profitability of small farmers. In the same project institutional capacities were strengthened to improve the accountability and increase efficiency in grants management. Using similar partnership in India, UNDP and NEC introduced blockchain based traceability to improve the digital divide in the value chain that led for increasing farmers' profits and enhancing the transparency and competitiveness of spice products in the global market. Building on such successful cases in Africa, now the plan is to adopt the same in Ethiopia using a Pan-Africanism and south-south cooperation model.

The proposed e-voucher system is therefore expected to play a key role in setting the mechanism to monitor, collect data and ultimately allow the vulnerable people (including displaced, women, people with disabilities) to access targeted livelihood and reintegration support equitably and fairly. By implementing a digital system that enables the traceability of support and enhances accountability, the intervention ensures that assistance reaches the intended beneficiaries, ultimately leading to improve the overall effectiveness of support provided to IDPs.

In a context where reaching remote and vulnerable populations is challenging, the e-voucher system offers a practical and scalable solution that not only addresses immediate needs but also establishes a foundation for stronger community connections at the regional level. This system is especially important as it allows for a more streamlined and accountable distribution process, which is critical in areas with limited infrastructure and governance capacity.

Focusing on livelihoods is imperative to help communities and IDPs transition out of reliance on food assistance, which remains insufficient under the current state of humanitarian funding. Livelihood support empowers these populations to rebuild their economic base, reducing dependency on external aid and fostering long-term resilience. Given the gaps in existing funding, particularly from sources like USAID/BHA and the Ethiopia Humanitarian Fund, which prioritize emergency relief over sustainable livelihoods, Japan's involvement through the JSB is vital. It fills a critical gap by supporting comprehensive interventions that address both immediate humanitarian needs and the longer-term economic recovery of conflict-affected communities in northern Ethiopia. As former Foreign Minister Ms. KAMIKAWA Yoko stated at 2nd Global Refugee Forum on 13 December 2023: "we cannot significantly improve the situation by merely providing food, water, and shelter to vulnerable people. We must adopt a more future-oriented, medium- to long-term approach."

III. Results and Partnerships (1.5 - 5 pages recommended)

Expected Results

The project aims to reach 10,000 IDPs (60% of whom are women and and 40% youth) in the Southern and central Zones of Tigray, North Wollo Zone of Amhara, and Zone 2 of Afar. These individuals will gain access to targeted livelihood support, MHPSS, and other essential services through the e-voucher system.

UNDP Ethiopia with the possible technical support of NEC is planning to test the effectiveness and usability of e-voucher system in selected crisis recovery target Woredas focusing primarily on IDPs and those impacted by the conflict. The e-Voucher back-end described herein will be installed on a cloud-based platform in Ethiopia, in line with the data protection laws in Ethiopia. All data therefore will remain within the borders of Ethiopia. Android 'Smart Terminals" will be supplied, with the e-Voucher system installed, which officers will use to register beneficiaries, and issue cards which will be used to purchase selected support services and items from retailers. Smart chip cards will be provided for issuance to the individuals who will be the beneficiaries in this project.

The integrated interventions are designed to enhance the effectiveness, traceability, and accountability of crisis recovery efforts. By implementing an e-voucher system, the project will improve the targeting, monitoring, and efficacy of service delivery, support the sustainable reintegration of IDPs, and strengthen community resilience.

This will be achieved through the coordinated and aligned implementation of the following outputs and interventions.

Output 1: E-voucher system to support sustainable reintegration of IDPs established

The expected result under this output is that IDPs received the necessary services, resources, and tools fairly and equitably to rebuild their livelihoods, reducing their dependency on external aid and supporting sustainable reintegration. The specific interventions under this output are

Activity 1.1: Conduct context analysis/needs assessment to identify the specific livelihood support requirements of IDPs, with a focus on women and youth, in the targeted zones

Activity 1.2: Procurement of smart card and mobile devices (10,000 Cards & 50 Mobile Devices)

Activity 1.3: Deployment of e-vouchers and registration of beneficiaries (IDPs and MSMEs) to access livelihood resources, such as tools, seeds, and small business start-up kits. This includes cloud hosting for 2 years) and training of trainers

Activity 1.4: Provide operational support on E- Voucher usage, technical support on registration and data connection

Output 2: Improved access to sustainable reintegration services to IDPs through use of e-voucher

The expected result under this output is Increased access to Mental Health and Psychosocial Support (MHPSS) and other critical services for IDPs, with a special focus on women and youth, through the e-voucher system, ensuring traceable and accountable delivery in the targeted regions. The specific interventions under this output are

Activity 2.1: Identify and train services providers or vendors who will provide livelihood, MHPSS and other essential services in the targeted woredas

Activity 2.2: Identify and train field agents to facilitate registration to the e-voucher system and liaise beneficiaries with service providers

Activity 2.3: Support MHPSS service provision with local service providers

Activity 2.4: Support provision of start-up kit, agricultural input and other livelihood services to IDPs

Activity 2.5: Collect feedback on usage of the card, challenges and learnings for further improvement on the system

Output 3: Capacity of local institutions is Strengthened to address issues of IDPs (integration and return) as per the Campala convention;

The expected result under this output is that Local institutions in the targeted region/zones and Woreda are equipped to manage and monitor the reintegration of IDPs through the implementation of the e-voucher system, leading to improved targeting, accountability, and efficiency of service delivery. The specific interventions under this output are;

Activity 3.1: Conduct capacity-building workshops for local institutions on the implementation and management of the e-voucher system and well as Durable Solutions principles

Activity 3.2: Facilitate coordination meetings between local institutions, field agents, service providers, and community representatives to ensure the efficient operation of the e-voucher system

Activity 3.3: Establish a monitoring and evaluation framework for tracking the delivery and impact of services through the e-voucher system

Activity 3.4: Document and disseminate lessons learned and best practices from the project to inform future interventions

Resources Required to Achieve the Expected Results

To implement the project over a one-year period (April 2025 – March 2026), a total of USD 1,000,000 is required, to be provided by the Government of Japan. This funding will be shared between UNDP and NEC, a Japan-based private company. The project will be implemented alongside other programs focused on durable solutions, the Peace Support Facility, and the Internal Displacement Solutions Fund (IDSF), to maximize impact and ensure cost-effectiveness. The UNDP Ethiopia country office will also contribute technical expertise and leadership throughout the project's implementation.

Partnerships

Government as the main counterpart: The Government of Ethiopia, particularly the Ministry of Finance and the Disaster Risk Management Commission at the federal level, along with the respective regional Bureaus of Finance and Disaster Risk Management Commissions in Afar, Amhara, and Tigray, are the key stakeholders and implementing partners for the successful execution of the project.

UNDP will employ the 'National Implementation Modality' (NIM), utilizing government systems for implementation. However, UNDP will continue to provide assistance and guidance to ensure effective implementation, monitoring, and quality assurance. The Durable Solutions Working Group, at both federal and regional levels, will serve as a key entry point for periodic monitoring, follow-up, and guidance on the project's implementation.

The Ministry of Finance will lead the highest level of coordination. Technical planning, implementation, and monitoring will be conducted through the active engagement of the three regional governments (represented by their Bureaus of Finance) and in coordination with the Recovery and Reconstruction Offices in these regions. The role of target woredas in ensuring the safety and security of IDPs and facilitating the effective implementation of the project is significant.

The project will also partner and collaborate with the National Digital ID Project Office to ensure the alignment of the e-voucher with the government initiative. Additionally, the project will work with the regional governments of Afar, Amhara, and Tigray to implement the e-voucher system in the selected woredas. The regional Disaster Risk Management Commissions, Bureaus of Health, and Science and Technology Bureaus in each region will serve as focal offices to utilize the e-voucher system for the distribution of mental health, psychosocial, and livelihood services.

Community as the main stakeholder: Communities including the beneficiaries such as the IDPs are the most important stakeholders. At woreda level, Woreda Administrators will play a critical role in selection of the beneficiaries, as well as facilitate and coordination the implementation of the project, with support from respective Regional Bureaus. Regular engagement with community members in the target woredas is key to ensure that UNDP meets the priority needs of the communities enabling them to voluntarily return to areas of origin and support them restart a normal life. Community members, IDPs and returnees will be consulted and engaged.

Private sector: The UNDP is exploring the partnership with NEC Corporation, a Japanese multinational specializing in information technology and electronics. NEC will play a crucial role in developing and deploying the e-voucher system, acting as a key implementing partner by providing the necessary technology, technical assistance, services, and progress monitoring alongside UNDP and other stakeholders. Previously, UNDP and NEC have successfully collaborated on e-voucher systems in African countries such as Namibia and Mozambique. Additionally, the partnership will be strengthened through enhanced collaboration with Ethio-telecom and other service providers to ensure the sustainability and scalability of the intervention. NEC has rich experience in finding tech-based solutions for local level development challenges by working with parthers like UNDP, WFP, FAO, IOM, UNIDO, BMGF and CEPI.

Partnership with other development partners and UN agencies: Both at Federal and regional level, there is a durable solution working group that is co-chaired by IOM, UNHCR and UNDP. The collaboration with these UN agencies and other international organizations working on the IDP agenda will enhance the effectiveness of the project. This initiative on IDP benefit distribution tracking is expected to influence the national level durable solution strategy that the UN is advocating for in order for Ethiopia to have a lasting solution to displace people in alignment with the UN secretary general's action agenda on displacement. The project will also collaborate with JICA and other development partners to jointly promote and advocate for the HDP nexus where the durable solution working group is operating within.

Risks and Assumptions

The durable solution strategy is just launched in November 2024 and the readiness and capacity to implement the strategy is not yet there both at Federal and Regional level. The conflict in some parts of the country (such as in Amhara) has continued and this might further exacerbet the displacement situation. There is no general agreement among federal and regional authorities both on the number of IDPs and on how to find a lasting solution for displacement. Some of the risks and potential mitigation measures are outlined as below.

Risks	Category	Impact	Probability	Mitigation Measures	Owner
Dynamic security conditions may impede field monitoring, mobility, and consultations with stakeholders	Security	Medium	Medium	Establish third party monitoring and reporting through community members.	UNDP
Delayed procurement Services	Operational	High	Medium	Engage procurement unit and prepare procurement documents and specification ahead of time.	UNDP
A lack of awareness about e-voucher payment technology among local stakeholders and communities limits their active engagement in the program.	Operational	Low	Low	Consultations and participatory planning approach prior to implementation, including regional and woreda administrations and community members. Regular community consultations.	Regional and woreda administrations and UNDP
The market system and supply chain are insufficiently developed at the lower administrative levels, such as woreda and zone.	Operational	High	Low	Mapping potential service providers and agents and pre-negotiation to ensure their active participation.	Government and UNDP

South-South and Triangular Cooperation (SSC/TrC)

Ethiopia is one of the fifteen pilot countries selected by the UN SG office of special advisor on displacement (OSA) to implement durable solution strategy. Under the coordination of this office and UNDP HQ, there will be a change to promote south-south cooperation and exhnage knowledge and expereiece exchange visits among these countries.

Digital Solutions

This project is unique in its inclusion of digital solutions to address the benefit sharing, distribution and accountability mechanism in the provision of services to IDPs and other vulnerable groups impacted by the conflict in the North. The use of e-voucher is by itself a digital solution that is very much aligned with the Digital Ethiopia 2025 strategy and as a major enabler to catalyse development efforts to be more effective.

Knowledge, sustainability and scaling up

The knowledge, experience and lessons gained in this project will be documented properly and then incorporated into the larger Durable solution strategy adopted at the national level. In fact it is the intention of the government (through the Ethiopian Disaster Risk Management Commission) to have a digitally enabled data tracking and monitoring mechanism in order to ensure accountability and fair distribution of benefits.

Visibility

UNDP will ensure that the generosity of the Government of Japan is fully and visibly acknowledged. This will include a press release, human interest stories, publicity using various media outlets, photo stories, stickers, nameplates having a Japanese flag mark on donated goods and in all project activity sites. Japan's logo will be placed on supplies and other visibility materials including banners and t-shirts, to ensure that end beneficiaries are aware of the generous contribution of the Government of Japan. UNDP will use its social media platforms (Facebook and Twitter) to disseminate information on the impact of this partnership. The close engagement with the Embassy of Japan will be made including regular communication as well as a joint field visit where possible and provide joint press release when necessary. The collaboration with Japanese private sector (NEC) as well as JICA will also be promoted. Whenever needed, the project will promote the procurement and utilization of materials and services from Japanese companies.

IV. Project Management (1/2 pages - 2 pages recommended)

Cost Efficiency and Effectiveness

This initiative will be in alignment with other projects (such as the PSF and Internal Displacement Solutions Fund project; that is designed to catalyse a lasting solution for displacement in Ethiopia. It is also the interest of the Ethiopian government to have a sustained data collection and monitoring as well as tracking of IDP related information. The engagement of national ID program and additional investment by other parties (such as IOM, WFP and EDRMC); the effectiveness of the e-voucher system would be high.

Project Management

The project will be an integral part of the national level durable solution strategy as well as the joint project on Internal Displacement Solutions Fund. It will be implemented in alignment with the Peace Support Facility (PSF); that is strategically designed to manage the delivery of recovery and reconstruction in the challenging context of Northern Ethiopia, adhering to international standards and principles for development work. The PSF operates through three regional project offices located in Afar, Amhara, and Tigray, reflecting a commitment to a localized approach that respects and integrates regional and local dynamics into the program's execution. Each office is led by a Head of Project Office, who oversees region-specific teams comprised of specialists in peace support, governance, economic recovery, social services, and an engineer. These regional teams play a pivotal role in tailoring the PSF's interventions to meet local needs effectively and sustainably.

At the governance level, the project will be coordinated through the regional disaster risk management commission of the respective regions and in line with the Durable solutions committee that includes national stakeholders and representatives from relevant UN agencies. This committee provides high-level guidance and approval of strategies and adjustments, ensuring that the proposed actions are in sync with the durable solutions strategy as well as the agreement for Lasting Peace and the broader Resilient Recovery and Reconstruction Framework (3RF).

The Inclusive economic transformation unit and the durable solutions specialist will follow up the implementation of the project for overall program management, including monitoring and evaluation, and risk management. This central role facilitates effective communication and coordination across the various levels of support by technical and operational staff; ranging from strategic decision-making in Addis Ababa to on-the-ground activities in the regional offices. Additionally, the project management structure is designed to promote active stakeholder engagement across all levels of implementation, from community consultations to collaborations with regional governments and international partners. This inclusive approach ensures that all interventions are responsive to the actual needs of the affected populations and are implemented with a high degree of transparency and accountability.

V. RESULTS FRAMEWORK[6]

Intended Outcome as stated in the UNSDCF/Country Programme Document Results and Resource Framework:

- **Outcome 1:** By 2025, all people in Ethiopia enjoy the rights and capabilities to realize their potential in equality and with dignity
- **Outcome 2:** By 2025, all people in Ethiopia live in a cohesive, just, inclusive and democratic society

UNSDCF Outcome indicators as stated in the Country Programme Document: Results and Resources Framework, including baseline and targets:

- **Output 1.4:** Displacement affected persons enabled to find safe, dignified and voluntary solutions to rebuild their lives in sustainable ways.

UNDP CPD (2020-2025):

- **Output 1.5**: Federal, Regional and sub-regional capacities strengthened for reintegration, reconciliation, prevention and peaceful management of conflicts. [IRRF 3.2.1]
- **Output 2.2:** Marginalized groups, particularly the poor, women, persons with disabilities and displaced are empowered to access entrepreneurship services and financial and non-financial assets and services to build productive capacities and benefit from sustainable livelihoods and jobs. [modified IRRF 1.1.2]

Applicable Output(s) from the UNDP Strategic Plan:

Project title and Quantum Project Number:

EXPECTED OUTPUTS	OUTPUT INDICATORS[7]	DATA SOURCE	BASELINE		TARGETS (by end of year one)	DATA COLLECTION METHODS & RISKS
			Value	Year		
Output 1 Establish E-voucher system to support sustainable reintegration of IDPs	*1.1:* Number of documents produced with detail context analysis/needs assessment and vendor/ supplier information	*NEC*	0	2024	*1*	*Assessment reports*
	1.2: Number of Smartcard procured and distributed	*NEC*	*0*	*2024*	*10,000*	*NEC report*
	1.3: Number of mobile devices procured and distributed.	*NEC*	*0*	*2024*	*50*	*NEC report*
	1.4: Number of beneficiaries registered by (age, sex and service category disaggregation)	*EDRMC/NDID office*	TBI	2024	*BL+ 10,000*	*NEC report*
	1.5 Adoption/introduction of digital benefit sharing mechanism in Ethiopia	*EDRMC*	0	2021	*Digtal system (e-voucher) adopted*	*NEC and UNDP report*

[6] UNDP publishes its project information (indicators, baselines, targets and results) to meet the International Aid Transparency Initiative (IATI) standards. Make sure that indicators are S.M.A.R.T. (Specific, Measurable, Attainable, Relevant and Time-bound), provide accurate baselines and targets underpinned by reliable evidence and data, and avoid acronyms so that external audience clearly understand the results of the project.

[7] It is recommended that projects use output indicators from the Strategic Plan IRRF, as relevant, in addition to project-specific results indicators. Indicators should be disaggregated by sex or for other targeted groups where relevant.

EXPECTED OUTPUTS	OUTPUT INDICATORS[7]	DATA SOURCE	BASELINE		TARGETS (by end of year one)	DATA COLLECTION METHODS & RISKS
			Value	Year		
Output 2: Improved access to sustainable reintegration services to IDPs through use of e-voucher	2.1: Number of IDPs (disaggregated by gender and age) who accessed MHPSS and essential services through the e-voucher system.	*EDRMC (Nationla & region)*	0	2024	*10,000*[8]	*Quarter reports and training report*
	2.2: Number of IDPs (disaggregated by gender and age) who received livelihood support through the e-voucher system	*Same as above*	*0*	2024	*10,000*	*Quarter reports*
	2.3 Percentage of beneficiaries reporting improved mental health and well-being after receiving MHPSS support	*MoH and EDRMC*	*TBD*	2024	*70%*	*Assessment*
	2.4: Percentage of beneficiaries (60% women and youth) reporting improved livelihoods as a result of the support received disaggregated by individual and MSMEs (sex of owner).	*Periodic report (UNDP, EDRMC and Regions)*	*20%*	2024	*80%*	*Assessment*
	2.5: Number of service providers trained and participating in the e-voucher system.	*NEC report*	*0*	2024	*20*	*Training report*
	2.6: Number of vendors and service providers participating in the e-voucher system.	*NEC report*	*0*	2024	*20*	
Output 3: *Strengthened Local Institutional Capacities*	*3.1:* Number of institutions targeted for participation in the e-voucher system	*NEC report*	*TBD*	2024	*12*	
	3.2: Number of coordination meetings held, and actions agreed upon to support the e-voucher system's implementation.	*UNDP & NEC quarter report*	*0*	2024	*6*	
	3.3: Number of lessons learned, and best practices documented and shared with stakeholders.	*UNDP Report*	*2*	2024	*5*	

[8] Target set to be reached is not only by this project but other projects of Durable Solution for IDPs in the same geographic area.

VI. Monitoring And Evaluation

In accordance with UNDP's programming policies and procedures, the project will be monitored through the following monitoring and evaluation plans: *[Note: monitoring and evaluation plans should be adapted to project context, as needed]*

Monitoring Plan

Monitoring Activity	Purpose	Frequency	Expected Action	Partners (if joint)	Cost (if any)
Track results progress	Progress data against the results indicators in the RRF will be collected and analysed to assess the progress of the project in achieving the agreed outputs.	Quarterly	Slower than expected progress will be addressed by project management.	NEC, local gov't	
Monitor and Manage Risk	Identify specific risks that may threaten achievement of intended results. Identify and monitor risk management actions using a risk log. This includes monitoring measures and plans that may have been required as per UNDP's Social and Environmental Standards. Audits will be conducted in accordance with UNDP's audit policy to manage financial risk.	Quarterly	Risks are identified by project management and actions are taken to manage risk. The risk log is actively maintained to keep track of identified risks and actions taken.	UNDP, PDRM/ M&E team	
Learn	Knowledge, good practices and lessons will be captured regularly, as well as actively sourced from other projects and partners and integrated back into the project.	Biannually	Relevant lessons are captured by the project team and used to inform management decisions.	IET unit	
Annual Project Quality Assurance	The quality of the project will be assessed against UNDP's quality standards to identify project strengths and weaknesses and to inform management decision making to improve the project.	Annually	Areas of strength and weakness will be reviewed by project management and used to inform decisions to improve project performance.	IET Unit/PDRM	
Project Report	A progress report will be presented to the Project Board and key stakeholders, consisting of progress data showing the results achieved against pre-defined annual targets at the output level, the annual project quality rating summary, an updated risk long with mitigation measures, and any evaluation or review reports prepared over the period.	Quarterly, Binanually and Annually (at the end of the project (final report)	Impact of the project and measurement of intended results as stated in the proposal	IET Unit	
Project Review (Project Board)	The project's governance mechanism (i.e., project board) will hold regular project reviews to assess the performance of the project and review the Multi-Year Work Plan to ensure realistic budgeting over the life of the	Bi-annually	Any quality concerns or slower than expected progress should be discussed by the project board and management actions agreed to	IET unit	

Monitoring Activity	Purpose	Frequency	Expected Action	Partners (if joint)	Cost (if any)
	project. In the project's final year, the Project Board shall hold an end-of project review to capture lessons learned and discuss opportunities for scaling up and to socialize project results and lessons learned with relevant audiences.		address the issues identified.		

VII. MULTI-YEAR WORK PLAN [9][10]

E-voucher solutions for recovery and resilience in Northern Ethiopia, Work Plan, and Budget										
Years: 2025-2026										
Expected Outputs	Planned Activities	Timeframe 2025-2026					Description	Responsible Party	Funding Source	Geographic Focus
Indicators, baseline & annual targets	List of activities and associated actions/tasks	Q2	Q3	Q4	Q1	Total				
Output 1: Establish an E-voucher system to support sustainable reintegration of DACs										
Indicators: Number of E-vouchers and mobile devices produced Baseline: 0-2024 Target: 1 Gender marker: GEN2	**Activity: 1.1** Conduct a context analysis and needs assessment to identify the specific livelihood support requirements of DACs, with a focus on women and youth, in the targeted zones.	54,395				54,395	Consultancy service/TA	NEC	Government of Japan (GoJ)	Tigray, Amhara, Afar
Baseline: 0, 2024 Target: 10,000 cards & 50 Mobile devices	**Activity 1.2** requirement analysis and system design of the e-voucher	20,000	16,473			36,473	Consultancy Services / TA	NEC	Government of Japan (GoJ)	Tigray, Amhara, Afar
Baseline: 0, 2024 Target: 50	**Activity 1.3** system contextualization and e-Voucher systems configuration	20,000	23,531			43,531	Technical Assistance	UNDP	Government of Japan (GoJ)	Tigray, Amhara, Afar,
Baseline: tbc Target: BL+ 10,000	**Activity 1.4** Procurement of smart card and mobile devices (10,000 cards & 50 Mobile devices)	50,000	61,086			111,086	Procurement	NEC	Government of Japan (GoJ)	Tigray, Amhara, afar
Baseline: 0 Target: Digital system (e-voucher) adopted	**Activity 1.5** Deployment of e-vouchers and registration of beneficiaries (DACs and MSMEs) to access livelihood resources, such as tools, seeds, and small business start-up kits. This includes cloud hosting for 12 months)		30,000	28,260		58,260	Technical Assistance	NEC	Government of Japan (GoJ)	Tigray, Amhara, Afar

[9] Cost definitions and classifications for programme and development effectiveness costs to be charged to the project are defined in the Executive Board decision DP/2010/32

[10] Changes to a project budget affecting the scope (outputs), completion date, or total estimated project costs require a formal budget revision that must be signed by the project board. In other cases, the UNDP programme manager alone may sign the revision provided the other signatories have no objection. This procedure may be applied for example when the purpose of the revision is only to re-phase activities among years.

	Activity 1.6 Provide operational support on E- Voucher usage, technical support on registration and data connection			50,000	33,071	83,071	Procurement and consultancy	NEC	Government of Japan (GoJ)	Tigray, Amhara, Afar
Sub-total		**144,395**	**131,090**	**78,260**	**33,071**	**386,816**				
Output 2: Improved access to sustainable reintegration services to DACs through use of e-voucher										
Indicator: Number of Service providers who have been trained and received essential services Baseline: 0 Target: 20 people, 30% female	**Activity 2.1:** Identify and train services providers or vendors who will provide livelihood, MHPSS and other essential services in the targeted woredas.	10,000				10,000	Procurement of Services	UNDP	Government of Japan (GoJ)	Tigray, Amhara, Afar
	Activity 2.2: Identify and train field agents to facilitate registration to the e-voucher system and liaise beneficiaries with service providers		22,166			22,166	Procurement of Services	NEC	Government of Japan (GoJ)	Tigray, Amhara, Afar
Baseline: 0 Target: 10,000 people (Target set to be reached is not only by this project but other projects of Durable Solution for DACs in the same geographic area)	**Activity 2.3:** Support MHPSS service provision with local service providers		15,000	10,000		25,000	Procurement of Services	UNDP	Government of Japan (GoJ)	Tigray, Amhara, Afar
Baseline: 10,000 Target: 10,000 (60% female)	**Activity 2.4:** Support provision of start-up kits, agricultural input and other livelihood service packages to DACs		145,787	100,000	100,000	345,787	Grants	UNDP	Government of Japan (GoJ)	Tigray, Amhara, Afar
	Activity 2.5: Collect feedback on usage of the card, challenges and learnings for further improvement on the system			5000	5000	10,000	UNDP	M&E	Government of Japan (GoJ)	Tigray, Amhara, Afar
	Activity 2.6: Deploy project officer to support project implementation (30% cost)	2500	2500	2500	2500	10,000	UNDP	TA	Government of Japan (GoJ)	National/ regions
Sub-total		**12,500**	**185,453**	**117,500**	**107,500**	**422,953**				
Output 3: Strengthened local institutional capacities to pilot the E-voucher system										

Indicator **a.** Number of capacity building and coordination event organized. Baseline: tbc Target: 3 Gender Marker: GEN2	Activity 3.1: Conduct capacity-building workshops for local institutions on the implementation and management of the e-voucher system.		20,000			20,000	UNDP	Training	Government of Japan (GoJ)	Tigray, Amhara, Afar
Baseline: 0 Target:6	Activity 3.2: Facilitate coordination meetings between local institutions, field agents, service providers, and community representatives to ensure the efficient operation of the e-voucher system.		15,000			15,000	UNDP	Training and Workshop	Government of Japan (GoJ)	Afar, Amhara, Tigray
	Activity 3.3: Establish a monitoring and evaluation framework for tracking the delivery and impact of services through the e-voucher system.		15,000			15,000	UNDP	M&E	Government of Japan (GoJ)	Afar, Amhara, Tigray
	Activity 3.4: Communication, visibility and documentation and dissemination of lessons learned and best practices from the project to inform future interventions.			10,000	5000	15,000	UNDP	Communication	Government of Japan (GoJ)	Afar, Amhara, Tigray
Sub-total			50,000	10,000	5,000	65,000				
Sum of Sub Total		**156,895**	**366,543**	**200,760**	**145,571**	**874,769**				
Global monitoring, advocacy and reporting						9,077				
Sub-total (programable amount – Prog + DPC)						**916,258**				
General Management Support (8%)						73,341				
Total Programme Budget						990,099				
Coordination Levey 1%						9,901				
Grand Total						**1,000,000**				