



SHARPE supported mobile money agent, Somali Region



SHARPE Value for Money Assessment

Written by **Anne Brady, Muneeb Zulfiqar**

April 2025

A UK Aid Funded Project



DAI

FIRST CONSULT



OU





Contents

Executive Summary	3
About SHARPE	4
The SHARPE VFM Framework	5
The 4E Framework	5
Assessing VFM over time	8
Economy	10
SHARPE processes for maximising Economy	10
Performance against Economy indicators	11
Efficiency	12
SHARPE processes for maximising Efficiency	12
Performance against Efficiency indicators	16
Effectiveness and Cost Effectiveness	23
SHARPE processes for maximising Effectiveness and Cost Effectiveness	23
Performance against Effectiveness and Cost Effectiveness indicators	24
Equity	27
SHARPE processes for maximising Equity	27
Performance against Equity indicators	30
Conclusion and Recommendations	31
Recommendations for donors	31
Annex A - SHARPE Publications	33
Annex B - SHARPE Logframe	34

1. Executive Summary

This Value for Money (VfM) Assessment was conducted during the final months of the Strengthening Host and Refugee Population, Ethiopia (SHARPE) programme and considers whether SHARPE has achieved sustainable and scalable impact for the money spent on implementation. The report presents both qualitative and quantitative evidence against SHARPE's agreed VfM indicators.

The key findings from the report include:

- During implementation SHARPE aligned spending with sectors that were going to achieve the most significant results – agri-businesses, financial inclusion and renewable energy. This was done in the second half of the programme when a fuller understanding of the markets and opportunities for refugee inclusion was established.
- The cost of reaching refugee businesses is necessarily more than working with other types of business due to the additional support required and lower cost share. However, given 85% of refugee partnerships remained active 6 months after SHARPE support ended demonstrates the high return on investment and justified higher cost for supporting refugee businesses.
- There is emerging evidence that refugees who benefitted from SHARPE are showing potential to move away from humanitarian assistance in the longer term. This shows that Market Systems Development (MSD) offers good value for money in challenging markets and that there is real potential for MSD to be applied sustainably in humanitarian contexts to reduce aid dependency for refugee populations.

The report concludes with the following recommendations for donors.

1. **MSD programmes operating in thin markets require a minimum of five years to achieve sustainable results and maximise value for money.** To optimise donor investment and capitalise on programme learnings, we would recommend a 10-year implementation model (with appropriate formal review points embedded).
2. **Programmes designed to build refugee resilience and economic self-reliance require a higher level of donor investment,** however this has potential (with the right conditions) to create a system for refugees to transition away from aid dependence.
3. Work with implementers to **conduct analysis to understand the operating environment and who the private sector actors are** before setting targets on private sector funds leveraged. It is challenging to find suitable benchmark given the context specific nature of this work, while it is possible to benchmark against MSD or humanitarian programmes there are very few programmes that are similar to SHARPE and work across both.
4. **MSD programmes in fragile and conflict-affected situations (FCAS) must be able to implement a robust MEL system** (such as in the case of SHARPE aligned with the DCED standard) to ensure continuous learning and adaptation. Donors should monitor the results and be willing to amend targets as a more detailed and robust understanding of the context is developed.
5. **Ensure that programmes have a team presence in operating regions,** staff should speak the language and be familiar with local customs. It is important that learnings and observations from regional teams are fully incorporated into central project offices to inform strategic decision making. MSD programmes in this context require particularly strong coordination capacity to ensure that teams in different locations can work effectively together.
6. Programmes operating in a similar context to SHARPE need to **develop mechanisms to fund both micro and larger scale business directly,** requiring donor approval. Due diligence and vetting processes need to be made proportionate to the size of business, for example refugee micro business owners may not have all the usual documentation to pass standard checks.
7. MSD programmes working in a humanitarian sector should **prioritise identifying the sectors that meet the immediate needs of target populations.** For example, in a refugee setting where food is limited, investing in sectors such as poultry offers the potential to improve household nutrition outcomes as well as increase household income.
8. **Funding should be allocated from the outset to fund ex-post impact assessments of programmes generating valuable learnings for the sector.** This would test whether the programme model is sustainable in the long term and therefore represents good value for money for donors.

About SHARPE

The **Strengthening Host and Refugee Populations in Ethiopia** (SHARPE) programme is a market systems development programme that has been working in three refugee hosting regions of Ethiopia since 2019, developing markets and business in ways that are inclusive of refugees, finding 'on the ground' solutions to the challenge of economic self-reliance and inclusion. Refugees engage in markets as consumers, employees, entrepreneurs and/or producers but still face restrictions on their economic lives due to partial (at best) implementation of pledges made to give refugees the same rights as their neighbouring host communities when it comes to work and employment. SHARPE was funded by the UK Foreign Commonwealth and Development Office (FCDO) between September 2019 - March 2025.

Since 2019, SHARPE has partnered with more than 250 businesses – large 'lead' firms with head offices based in large towns and cities, regional SMEs often based in the main regional town, and micro businesses, many of which are refugee owned – to develop markets in ways that refugees are able to benefit and to link refugees to wider market systems and value chains.

Despite the business partnerships and market linkages being in their early stages they are allowing both host and refugee communities to increase their incomes and economic opportunities – more than 120,000 people are benefitting from SHARPE interventions through cost savings, jobs and/or improved incomes. As businesses grow and companies continue to invest in these frontier markets it is expected that more people will benefit in the future and that these business partnerships will continue beyond the life of SHARPE.



Refugee Camp in Somali Region

2. The SHARPE VFM Framework

This first section summarises the SHARPE Value For Money (VFM) Framework, based on the 4E framework developed by DFID ¹.

2.1 The 4E Framework

VFM means delivering the maximum impact possible for a given amount of expenditure. In the context of SHARPE, this means delivering the maximum possible benefits for host and refugee communities, given the available programme resources and the operating context. VFM is about much more than minimising overheads and unit costs. To deliver real VFM, a programme needs to think not just about procurement and financial controls, but also about how it designs and implements interventions, and allocates resources across the programme.

The 4E Framework measures VFM at three different levels – economy, efficiency, effectiveness – corresponding to different levels of the programme Theory of Change and Logframe. Overall VFM is summarised by Cost Effectiveness, the high-level impact delivered relative to the amount spent. The fourth E, Equity, examines the extent to which women and marginalised groups are positively impacted by the programme.

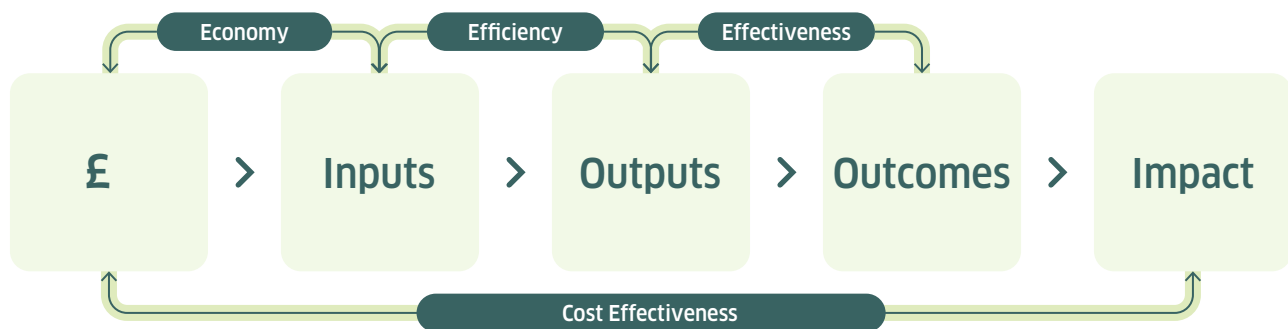


Figure 1: the 4E VFM Framework

In the case of SHARPE, outputs relate to market actors adopting and sustaining new or improved business practices (including SHARPE ‘partners’ receiving direct financial and/or technical support from the programme, and other market actors indirectly influenced by the programme). Outcomes relate to the increased participation of refugee and host populations in target markets, and improved enterprise performance. The ultimate impact objective of the programme is to improve the income, employment, and resilience of refugee and host populations.

The table below presents the key VFM drivers at each level of the 4E Framework, along with a set of VFM indicators.

4Es	VFM drivers	VFM indicators
Economy (£ to inputs)	- Procurement policies and procedures - Staff and consultant selection, recruitment, and fee-setting - Fiduciary risk management - Management of overheads and administrative costs - Economies of scale and collaboration	- Overhead and administrative costs (as a % of total spend) - Average fee rates (£) - Total cost-savings (£) - Strength of SHARPE procurement, financial management, and other relevant systems and processes (qualitative)

¹ For a summary, see: <https://beamexchange.org/guidance/monitoring-overview/assessing-value-money/4e-approach-vfm/>

Efficiency (inputs to outputs)	▪ Partner selection processes ▪ Designing and negotiating the partnership deal; leveraging partner resources (incl. cost-sharing) ▪ ‘Input’ management (grants and technical assistance) ▪ Partnership monitoring and adaptive management processes (incl. ‘failing fast’) ▪ Sustainability of practice changes in partners ▪ External replication and crowding-in by other market actors	▪ Partner leverage ratio (SHARPE spend: partner spend) ▪ Partner adoption rate (% of partners adopting new or improved practices) ▪ Partner sustainability rate (% of partners sustaining new or improved practices) ▪ Crowding-in ratio (number of partners adopting new or improved practices: number of ‘copycats’) ▪ Average SHARPE spend per successful and unsuccessful partnerships ▪ Strength of SHARPE partner selection, management, and monitoring processes (qualitative)
Effectiveness (output to outcome) Cost effectiveness (£ to impact)	▪ The above Efficiency drivers, plus: ▪ Intervention design processes (incl. evidence-based causal logics or Results Chains) ▪ Outcome and impact monitoring and adaptive management processes ▪ Portfolio management processes ▪ Internal and external synergies	▪ Partner performance improvement rate (% of partners improving their enterprise performance) ▪ Average number of beneficiaries per partner ▪ Cost per beneficiary (total SHARPE spend ÷ number of beneficiaries) ▪ Cost-benefit ratio (total SHARPE spend: total value of benefits for target beneficiaries) ▪ Strength of SHARPE intervention design, outcome and impact monitoring, and portfolio management processes (qualitative)
Equity	▪ Gender and inclusion mainstreaming in partnership and intervention design ▪ Inclusivity of practice change in partners ▪ Gender and inclusion monitoring and adaptive management	▪ Proportion of beneficiaries that are women, refugees, host community, People with Disabilities, marginalised ethnic groups ▪ Proportion of new or improved practices adopted by partners that are intentionally inclusive (%) ▪ Strength of SHARPE gender and inclusion mainstreaming processes (qualitative)

Table 1: VFM drivers and indicators

The VFM indicators draw from underlying programme logframe indicators, combined with financial information from the SHARPE financial management system. For more information on logframe indicator definitions and data sources, see Annex B.

Key contextual factors affecting SHARPE's VFM

Several significant programmatic changes and factors outside of DAL and SHARPE's control impacted the pace at which SHARPE was able to deliver and therefore SHARPE's results and total spend. These factors caused delays in an already ambitious delivery time frame and impacted the achievement of results and value for money over the inception phase and implementation.

These factors included:

- **Delay in getting the Memorandum of Understanding (MoU) between FCDO and Ministry of Finance and Economic Cooperation (MoFEC) agreed** – this prevented the SHARPE team from travelling in the regions and conducting market assessments until the MoU was signed in April 2020.
- **COVID made it impossible to travel and conduct accurate field assessment and impacted SHARPE partners' ability to engage with the programme, slowing down all processes.** As a result, the inception period was extended from six months to one year and SHARPE implementation started in September 2020, rather than March 2020.
- **Refusal by Administration for Refugee and Returnee Affairs (ARRA) /Refugee and Return Service (RRS) to accept the terms and conditions of the SHARPE MOU**, signed between DFID/FCDO and MoFEC, on the grounds it was never communicated to them by MoFEC. Although the MOU was signed in April 2020, a formal collaboration agreement was only signed between SHARPE and RRS in December 2021; camp access, and the ability to work with RRS was therefore only possible from early 2022 once this agreement was in place.
- **2021 and 2022 budget revisions and budget uncertainty** - the budget revisions in 2021 meant a 50% reduction of the team, the scaling down of activities and partnerships. This was time consuming and budget uncertainty impacted how the SHARPE team has been able to plan activities. The confirmation of the extension of the project beyond March 2023 was only received in December 2022 which also created high levels of uncertainty in the team prior to this confirmation and a challenge in committing to activities in the period leading up to the contracted close date until the extension was confirmed.
- **Impact of the Tigray conflict** absorbed political attention, limited travel, and due to security concerns the Team Leader temporarily re-located out of Ethiopia.
- **Ration Suspension:** Between June to October 2023 there was a suspension in rations for refugees across Ethiopia, where without any prior warnings, refugees stopped receiving their monthly food and cash allocation. This has a significant impact on SHARPE supported businesses who had to rely on income from their businesses, savings, selling of assets or remittances to support their households.



SHARPE supported refugee poultry farmer, Gambella

2.2 Assessing VFM over time

It is important to understand the implications of the timings of a value for money assessment in terms of programme phase. Initially, in the early years of the programme it takes time to establish partnerships, for partners to test and roll-out new practices, and as such high-level impact will be limited. During this phase, value for money in terms of achieving cost-effectiveness will be limited - particularly compared to 'direct delivery' programmes which can achieve high-level impact much more quickly. The SHARPE VFM assessment conducted in 2023 concluded:

SHARPE is continuing to achieve significant results and deliver Value for Money in its approach to implementation. This is a challenging operating environment however SHARPE is constantly learning how to further impact through innovative business models in targeted priority sectors.

The VfM framework, focusing on economy, efficiency, effectiveness and equity, has enabled the programme to make informed decisions on how to design interventions which reach a higher number of refugees despite the higher cost in doing so. SHARPE has to adapt almost all interventions to improve inclusion and reach more refugees. Due to the ongoing learning, SHARPE has been able to target investments which achieve reach into both host and refugee community.

In the later years of an MSD programme, as partners sustain and scale-up new innovations and practices, and as other market actors start to replicate / crowd-in, impact will start to accelerate – at which point effectiveness and cost-effectiveness will rapidly improve. Critically, if successful at catalysing sustainable change that is resilient to shocks, and that is replicable by other market actors, impact will continue to accelerate beyond the end of the programme, whereas in 'direct delivery' programmes, there is no additional impact beyond the end of the programme. This is illustrated below in Figure 2.

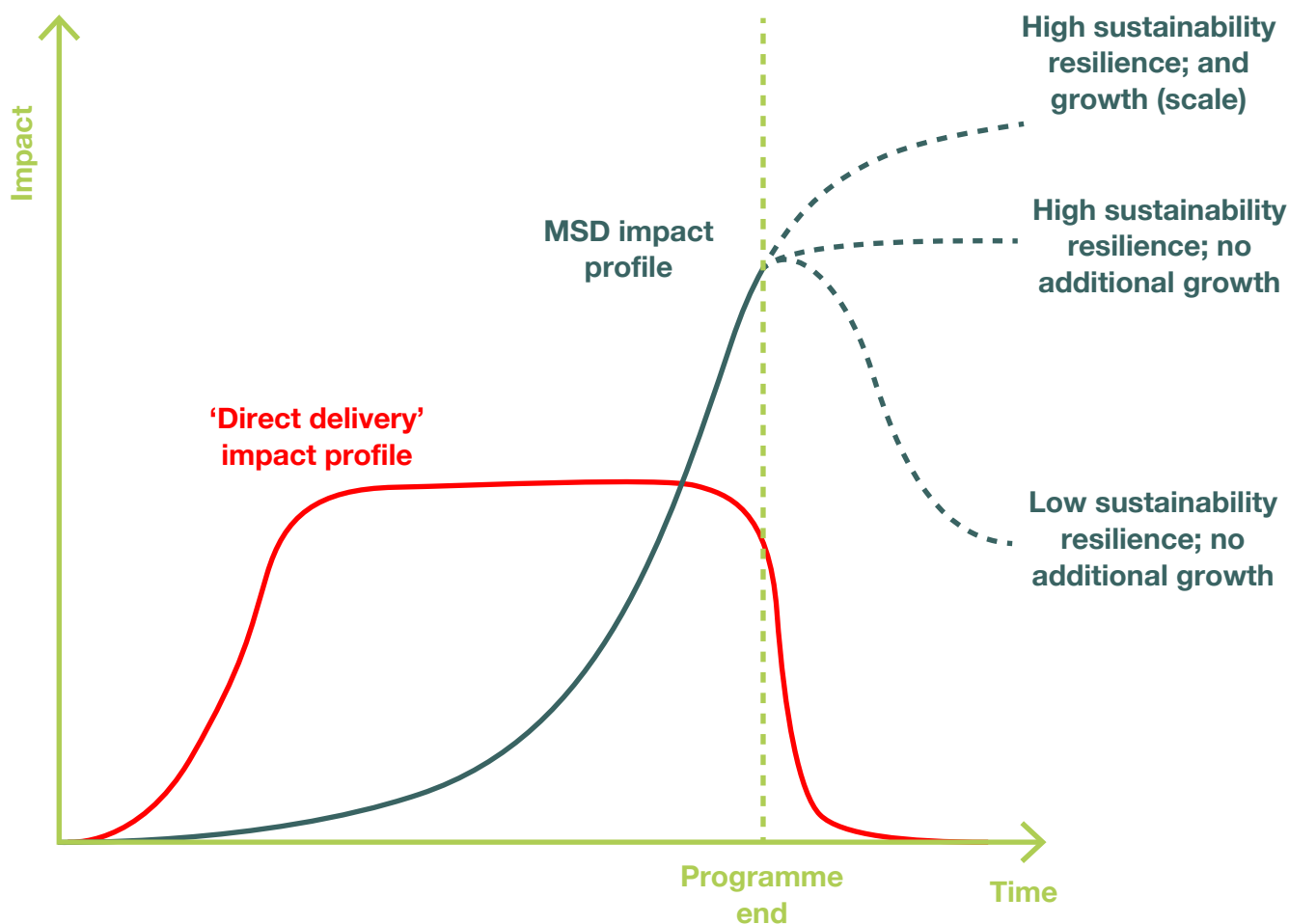


Figure 2: stylised impact profile of 'direct delivery' and MSD programmes

SHARPE has now ended and this VFM assessment is based on the final reporting. For effectiveness and cost-effectiveness indicators, this report will present values, based on the final financial and monitoring data. The report will also present some projected values, based on the expected post-programme impact, up to two years beyond the end of the programme (in line with the DCED Standard for Results Measurement). Results have been projected forward only for those partnerships / interventions that meet the following criteria:

- The partner has already continued to maintain the innovation or practice change beyond the end of SHARPE support; OR there is strong evidence that the partner intends to maintain the innovation or practice change once SHARPE support ends (e.g. the partner has increased investment in the innovation, the innovation is showing strong commercial returns...)
- The impacts for end beneficiaries are likely to be resilient to probable negative shocks (e.g. climate shocks)

Where there are signs of external replication, and where there are prospects for additional replication or scaling by non-partner actors, the projections will also factor in likely further replication.

This assessment will consider whether SHARPE has achieved VFM across the 4E framework and make future recommendations. However, to assess the full VFM of an MSD programme it is recommended to conduct an ex-post impact evaluation.



3. Economy

Maximising Economy means maximising the conversion of money into 'inputs'. Note that this should not be interpreted as always buying the cheapest inputs: rather, delivering Economy means securing inputs of the required quantity and quality at the best price. The main inputs in the case of SHARPE are technical assistance provided by programme staff and consultants, and grants to market actors. Other substantive inputs include overheads and administrative costs such as office rent and running costs.

3.1 SHARPE processes for maximising Economy

Throughout the programme, SHARPE has considered the costs of inputs and made informed decisions to ensure best value for money.

Procurement policies and procedures: SHARPE maintained strict procurement procedures, as outlined in the Procurement Manual. A minimum of three quotes were collected for goods and services. SHARPE limited the use of sole source, except when it was deemed necessary – in this case the justification was documented and approved by the Team Leader.

Staff & consultant selection: SHARPE was initially designed with a larger consortium. This was reduced initially during the budget cuts in 2021 and then further in the final extension phase in 2023.

To achieve longer term value for money in MSD programmes it is essential to maintain staff, to the extent possible, throughout the programme. This ensures knowledge is kept within the team and expanded on, in addition the ongoing investment in providing capacity building support for staff is realised. Unfortunately, due to the budget cuts and delay in the confirmation of the extension, SHARPE was not able to keep staff for the full programme. However, to maintain consistency SHARPE has only worked closely with one consortium partner - Opportunity Unlimited - to provide dedicated technical expertise. This has meant more focused support rather than paying to bring in new expertise that can be both costly and time consuming to get up to speed. The decision to work with one technical partner was critical in achieving quality outcomes on the programme.

Fiduciary risk management: For the most part, SHARPE provided grants to partners on a reimbursement basis. Payments were reimbursed only once the partner provided required evidence of spend and/or results outlined in the Grant Agreement and this evidence was checked, verified and approved by the Senior Business Advisor, Finance and Operations Manager and finally authorised by the Team Leader.

Note, exceptions were made for refugee and host micro-businesses with limited access to finance. In this case, the SHARPE hub teams were responsible for oversight of the up-front costs. This decision was necessary to prevent delays in implementation as refugee/host businesses were not always able to finance their business start-up costs and wait for reimbursement.

An audit conducted by the DAI Director of Internal Audit, Ethics & Compliance made the following comments: *This is clearly a well-run and well-administered project...the administrative infrastructure is not without complications, and the project continuation issues had the ability to cause a little turbulence, and yet the administrative interface of the camps to the central office has been managed smoothly and the oversight is well-balanced and appropriate*².

Cost Saving Measures

SHARPE continued to identify efficiencies throughout the programme to ensure best value for money. This included undertaking the following steps to maximise the programme operations budget:

- Moving offices to a smaller, serviced office to save future programme spend on office space with an estimated saving of £61,948.74 for Year 3.
- Savings made in asset purchases due to inheriting project assets from an FCDO programme that closed. This included two vehicles with a combined value of £20,147.04
- Significant travel savings were made due to the COVID-19 international travel restrictions in addition to security challenges within Ethiopia which limited some international travel. The needed support was pivoted to being delivered through remote assistance.

² Internal Audit conducted in April 2023

3.2 Performance against Economy indicators

The table below presents the spend and utilisation of resources across the programme:^{3,4}

Programme Activity	Spend (GBP)
Team	8,764,854.14
Reimbursables	1,648,325.68
Programme Activities	331,575.29
Resource Fund	1,476,534.17
DAI Indirect costs	959,132.72
TOTAL	13,180,422.00

Similar to a typical MSD programme, the team cost largest proportion of the budget (66%), while the SHARPE overhead and administrative costs amounted to 25% of total spend.⁵ SHARPE used a grants fund called the Resource Fund to co-create and co-invest in piloting business models – this was a critical portion of the programme delivery approach to achieving target results (11% of the total budget).

Through the resource fund, SHARPE focused in on three broad market systems: access to finance; agri-business; solar energy. Within this portfolio of interventions and partnerships, it is these interventions which contributed the most results and demonstrated the potential to scale. This is shown in the allocation of funding below:

Thematic Focus Area	Spend (GBP)
Livestock and Poultry (agri-businesses)	825,303.13
Crops	106,440.92
Fish	28,654.45
Energy	230,378.54
Access to Finance	285,757.13
TOTAL	1,476,534.17

SHARPE spent the largest proportion of the resource fund budget on agri-businesses (56%). The poultry business model developed by SHARPE was particularly successful and was replicated across the three regions.

On the other hand, the ongoing monitoring of interventions related to fisheries and crops demonstrated the models were not commercially sustainable or scalable and these business models were therefore discontinued. While the investments did provide direct benefits to SHARPE partners through the co-investment agreements, the benefits did not extend beyond the initial partners. The decision to discontinue was informed by limited uptake among host and refugee communities (and in the case of crops, almost zero uptake among refugees due to lack of farm land) and the absence of a broader ripple effect in the sector—an outcome that is not uncommon in volatile or high-risk settings, where business models often require time and adaptation before gaining wider traction. SHARPE continued to monitor the businesses throughout the programme, but did not further invest in these sectors.

Average fee rates: The table below presents the average rates paid to national and international staff. While international staff rates are higher than national staff, the SHARPE team was almost entirely Ethiopian. International staff were used on multiple occasions to bring in extra capacity, but this was balanced against the cost and value added by their experience.

National Staff	£132
International Staff	£429
Average	£226

Overall Assessment: Over 5.5 years of delivery SHARPE has implemented robust processes to ensure a careful allocation of resource. Importantly the focus on three thematic focus area during the programme lifecycle meant spend was aligned with maximising results. SHARPE therefore considers it has provided sufficient evidence to show it has met the requirements for ‘Economy’ in this VfM assessment.

³ Note, while total contract budget £14,413,820 due to FCDO FY budget allocations, DAI was only able to invoice up to £13,180,422.00

⁴ Note, these figures were calculated in March 25 so were not fully finalised. A forecast was used for the final month of spend.

⁵ Overhead/administrative spend includes Programme Support roles (Finance and Operations Director, Finance Manager, Admin Assistants); Frontline Capital Expenditure, Office running costs, vehicles maintenance and security, long term accommodation for International staff, government taxes and DAI indirect costs.

4. Efficiency

On SHARPE, maximising Efficiency means maximising the conversion of SHARPE ‘inputs’ (such as grants and consultant days) into ‘outputs’ (such as practice change in partner firms). Efficiency can be further improved by maximising spillovers from partner firms to non-partner firms, for example through replication of new innovations and business models.

4.1 SHARPE processes for maximising Efficiency

From the outset, SHARPE produced comprehensive guidance to ensure a clear process for maximising efficiency. Most critical to this was the development of the Partnership Manual, finalised during the inception phase to set out a clear strategy for partner selection and management processes. It provided the SHARPE team with the tools and templates to successfully manage the technical, financial, results and compliance elements of a partnership. The partnership process was designed to be flexible to respond to the different types of partners, while also ensuring SHARPE responsibly and efficiently managed UKAID funds.

SHARPE worked with both very small, or emerging businesses as well as bigger organisations and companies, and therefore developed two types of grant agreements to enable the programme to finance and support a range of organisations.

The two types of grant agreement were initially:

- Standard Grant Agreements – for grant values above £3,000 in total
- Micro-Grant Agreements – for grant values of £3,000 or below in total

Due to rising inflation, SHARPE increased the threshold to £5,000 in the final year of the programme. The micro grant agreement allowed SHARPE to provide support to refugee-owned enterprises that would otherwise be unable to meet the full grant conditions, while also reducing the administrative burden for both SHARPE and the grantee. Prior to receiving SHARPE support many of the refugee-owned grantees were informal and did not have a license or bank account. The SHARPE regional teams provided facilitation support to grantees to help them obtain the necessary licenses, either as enterprises or cooperatives, and open a bank account.

Partner Selection

On an MSD programme, partner selection is critical for achieving value for money and delivering sustainable results. SHARPE searched for the most incentivised, motivated and able system actors to implement new business models, introduce new products and services (or scale them up) – in a commercially sustainable way. SHARPE focused on identifying a leverage point that, with the least (short-term) development support, would complete an ‘innovation track’ which is most likely to make lasting, positive change.

More simply put, SHARPE selected partners based on their market capacity, inclusivity and long-term commitment. For the larger lead firms, SHARPE worked with businesses who were genuinely interested in testing refugee markets. However, one of the key learnings on SHARPE was that lead firms based in Addis were less incentivised to work in refugee hosting regions. Regional companies who are more connected to local markets were more committed to making a long-term investment to work with refugees. Conversely, this often meant there was limited choice in partners and that not all partnerships were successful (see Box 1 below).

To identify refugee partners, SHARPE developed robust selection criteria which was refined during the programme. For each refugee business, SHARPE looked to find a partner who had prior experience in the sector and would be able to manage a commercial expansion of their business. SHARPE hub teams worked alongside the Ethiopian Refugee Returnee Service (RRS) and Regional Coordination Committees (RCC) to carry out the selection process⁶.

⁶ Note, this sometimes meant RRS/RCC had the final say over the potential partner. SHARPE built relationships with the Camp Authorities through the regional hub teams, however there was often high turnover of staff and it could be challenging to navigate the humanitarian system.

Box 1: Partner Selection: Limited number of actors in thin markets

One of the challenges in operating in remote and 'thin markets' is the limited number of market actors. This sometimes results in existing actors trying to do everything themselves, with there being little capacity in the business beyond the owner. This was proved to be the case in Dollo Ado. The partner selected by SHARPE as a feed partner, doubled up as the regional poultry hub and was also selected to be the regional energy hub ⁷.

Despite initially demonstrating commitment and experience as a growing business in Dollo Ado, long absences by the business owner led to significant implementation issues. The business was not able to perform well without the owner present. For example, the pullets received by the refugee poultry farmers had a pre-existing disease and the feed was poor quality. This led to high levels of pullet mortality and the intervention did not achieve the expected results. The owner was travelling for long periods and appeared to prioritise larger solar energy contracts. As a result, SHARPE needed to identify a more competent poultry and feed partner. Due to the lack of options in the region, SHARPE made the decision to invest in the expansion of an existing partner based in Jijiga.

Lessons Learned

- Avoid over-reliance on one partner, better to test ability and commitment in small steps rather than have multiple partnership agreements in place at once.
- During partner selection (for larger partners), ensure the company is not dependent on one person. It is important to understand the strengths and weaknesses in depth and assess whether the business is able to deliver in more than one area.
- Consider capacity building to strengthen partners ability.
- Conduct regular monitoring of all partners to determine quickly if the partnership is not on track.

Designing and negotiating the package of support:

Following selection and agreement of objectives, SHARPE negotiated an appropriate cost share for all partnerships. The amount was based on a full assessment of what the partner could realistically afford to contribute. As expected, larger firms contributed a larger proportion compared to refugee micro-businesses. There were no expectations for micro-grantees to contribute financially, instead contributions were received mainly in-kind (for example construction).

Following a recommendation in the 2023 FCDO Annual Review⁸, SHARPE conducted a detailed study to assess the programmes use of financial subsidies for the private sector in the context of host and refugee communities. ⁹This report closely examined how the package of support was structured, reaching the following conclusions:

Grants, alongside market linkages and on-the-ground facilitation, have been effective in catalysing larger companies to adopt and test practice changes targeting refugee and host communities.

For larger companies, grants have been effective in building the capabilities of grantees to serve host and refugee communities through 'learning-by-doing'. After buying-down the initial risk, SHARPE grants have also been effective at catalysing an underlying shift in motivations in larger companies regarding target markets, suggesting a high degree of sustainability (at least in relation to host markets). Larger companies have naturally been more likely to target host than refugee markets; SHARPE has been able to steer grantees towards the refugee market during the lifetime of the grant, although post-grant, the early evidence as to whether companies will continue to target the refugee market is mixed (especially for national Addis-based companies).

In the case of regional and micro host and refugee owned businesses, grants or subsidised loans plus market linkages and other support, have been effective in enabling these businesses to upgrade, expand, and integrate into supply-chains.

Input management

There were two main ways a grantee on SHARPE would be paid; Payment by Results Milestones or Cost Reimbursable Milestones. Initially, wherever possible Payment by Results was used, particularly with larger businesses – however this approach did not work for refugee or host owned businesses so ultimately most

⁷ Note, the selection as energy hub was through another SHARPE partner

⁸ The FCDO recommendation advised SHARPE to analyse their use of public subsidy to inform future programmes delivered by FCDO, delivery partners, and others. This will allow decisions to be informed by evidence and is key to understanding how market systems can be best supported in Ethiopia'. Annual Report is available here: <https://devtracker.fcdo.gov.uk/programme/GB-1-205143/documents>

⁹ Use of financial subsidies for the private sector in the context of host and refugee communities, Gareth Davies, 2024. https://www.dai.com/uploads/SHARPE%20Public%20Subsidy%20Report_Use%20of%20financial%20subsidies%20for%20the%20private%20sector%20in%20the%20context%20of%20host%20and%20refugee%20communities.pdf

partner deal notes were developed on the basis of reimbursable costs. The inputs were managed by the Addis based technical team alongside the SHARPE Hub teams who continuously monitored partner activities.

During the ration suspension, it became apparent refugee businesses were not able to pre-finance the business start-up costs. To respond to the need and ensure delivery was not impacted, SHARPE switched to pre-financing micro-businesses. This was a necessary change to ensure SHARPE continued to work with the target group and didn't exclude potential partners. To ensure advance payments were utilised correctly, approval was required by two persons from the Addis based technical team (responsible for oversight of interventions). Where possible payments for materials were made directly to suppliers with oversight from the SHARPE Hub teams. This model proved effective in correctly managing inputs and using resources efficiently.

Processes for managing consultant / staff technical inputs

SHARPE used a number of external consultants to provide technical inputs. For each technical assignment, a ToR was developed and approved by the Team Leader. Payment was made on approval of deliverables submitted. To ensure a clear briefing and setting of expectations, a kick-off meeting was held followed by regularly scheduled updates as required. This enabled SHARPE to ensure that every assignment was conducted with high quality inputs and managed efficiently.

Partnership monitoring and adaptive management processes

SHARPE emphasised the importance of good monitoring and adaptive management processes. Critically, the operating context in Ethiopia was unpredictable - shocks from conflict, climate or economic instability disrupt markets overnight, meaning ongoing monitoring was required to navigate the changes.

To manage partnership monitoring, SHARPE recruited MEL officers in each of the three regions. Their role was to conduct ongoing monitoring, reporting to an Addis based MEL Manager and provide insights across the SHARPE technical team. In line with FCDO reporting, partnership data was collected on a quarterly basis. In addition, the MEL team regularly visited partners to check-in on progress and would feed this back to the wider technical team.

SHARPE held a weekly technical meeting to continuously check-in on progress. In addition, bi-annual portfolio reviews were held to conduct a stock-take on all existing partnerships and assess whether they were achieving their intended objectives – see Portfolio Management below.

Box 2: Fail Fast, Learn Fast, Pivot Smart – Adapting the Poultry Model in Jijiga

SHARPE's engagement in the poultry sector began with high potential and early ambition. In 2021, the programme partnered with EthioChicken to introduce Mother Units (MUs) – small-scale enterprises that rear day-old chicks for two months before selling them as pullets (young hens ready to lay) – across Jijiga and nearby areas, including refugee camps in Kebribeyah and Sheder. Eight MUs were established with the goal of creating local access to live chickens and eggs in a region where poultry was underdeveloped but promising.

However, the initial model faltered. The pullets produced by MUs failed to attract buyers. Early signs revealed a mismatch between the product and market preferences: Somali consumers were not interested in buying live chickens – they wanted eggs. Additionally, the national poultry supply chains, while robust in central Ethiopia, were disconnected from the Somali region's realities – unable to offer the right breeds (egg-layers instead of meat birds), appropriate support on disease prevention, or practical market connections for local producers.

The initial rollout also suffered from overambitious scale and assumptions. The refugee and women-led businesses found it difficult to manage the MUs due to limited resources and experience. External shocks – like the outbreak of Newcastle disease, programme budget uncertainty, and the conflict in northern Ethiopia – compounded these challenges.

SHARPE quickly recognised these failures and shifted gears. Embracing a "fail fast, learn fast" approach, the team restructured its intervention to address systemic constraints and build sustainability. The programme pivoted from scattered mother units to a more holistic model centred on regional poultry hubs – locally rooted businesses equipped to serve as one-stop service providers for poultry farmers, including those in refugee camps.

These hubs were designed to offer more than just pullets. They provide:

- The right poultry breed for the local market (egg layers),
- Reliable feed and vaccines,

- Timely technical advice to address disease outbreaks, and
- Crucially, market linkage services that help farmers sell their eggs effectively.

By investing in local capacity and designing around the actual needs of Somali poultry farmers and consumers, SHARPE created a more inclusive, market-responsive poultry system — one that is now positioned to scale sustainably with stronger local ownership.

Processes for promoting the sustainability of practice changes in partners

Throughout the duration of the programme, SHARPE continued to monitor the sustainability of practice change by regularly checking the number of partners/market actors that continued to stay in business and the number of market linkages that are sustained by market actors.

Using our systems approach and work with market actors, all market linkages facilitated were based on the specific SHARPE supported business models. Some of these business model changed or adapted over time. For example, Mother units were connected to supply pullets to poultry out-growers in year 1 but due to changing market conditions in year 2 (financial, ration cuts, security issues etc), the mother units started to supply to other channels (NGOs, regions, traders etc). Therefore, the strength in terms of the sustainability of a market linkage, and the associated practice change, is determined by the consistency of a business model. Our in-depth understanding of the markets and business models enabled SHARPE to select partners and support business models with the right incentives and opportunities to continue to stay in business.

Processes for promoting external replication and crowding-in

SHARPE was designed as a learning programme to test whether an MSD approach would be successful in a humanitarian environment. SHARPE actively communicated learning to other actors in the market. This has included the development of Technical Factsheets, which are designed to explain in detail the business model used for sector interventions as well as key learnings.

SHARPE conducted a Market Systems Development training in August 2024, ‘Applying the Market Systems Development Approach to Promote Economic Inclusion of Refugee and Host Communities in Thin Markets in Ethiopia’. It was attended by participants from Kenya and Uganda as well as Ethiopia, the majority being from organisations seeking to apply an MSD approach in protracted displacement setting as well as two attendees from the Ethiopian Government Refugee and Returnee Service (RRS) office in Addis Ababa.

The full list of SHARPE publications is included in Annex A.

SHARPE External Review 2022

SHARPE conducted an external review by an external consultant to assess the impact following two full years of implementation. The review validated the work of SHARPE and confirmed the programme was successfully applying the MSD approach in a humanitarian environment – additionally the reviewer advised that SHARPE would benefit from additional time.

The MSD approach is fit for the purpose of developing practical, private sector driven models in a traditional humanitarian aid sector refugee context for several reasons: it starts by building on local solutions; it serves to buy down entrepreneurial risks/costs through upfront subsector/market systems research followed by local partner identification; its partnerships deals with lead firms are structured around clear mutual commitments of time and resources; and, it manages partnerships with a high degree of flexibility to realize development objectives. SHARPE has been an effective practitioner of the MSD approach as evidenced by continuity of most existing partnerships and the recent addition of new ones.¹⁰

The recommendations were used to design the two-year extension phase and ensure a focus on markets where the most impact could be achieved (agri-businesses, financial inclusion and solar energy). This process supported SHARPE in achieving an efficient operating model which maximised results.

¹⁰ A Review of Strengthening Host And Refugee Populations In Ethiopia Program (Sharpe), Marshall Bear, September 2022

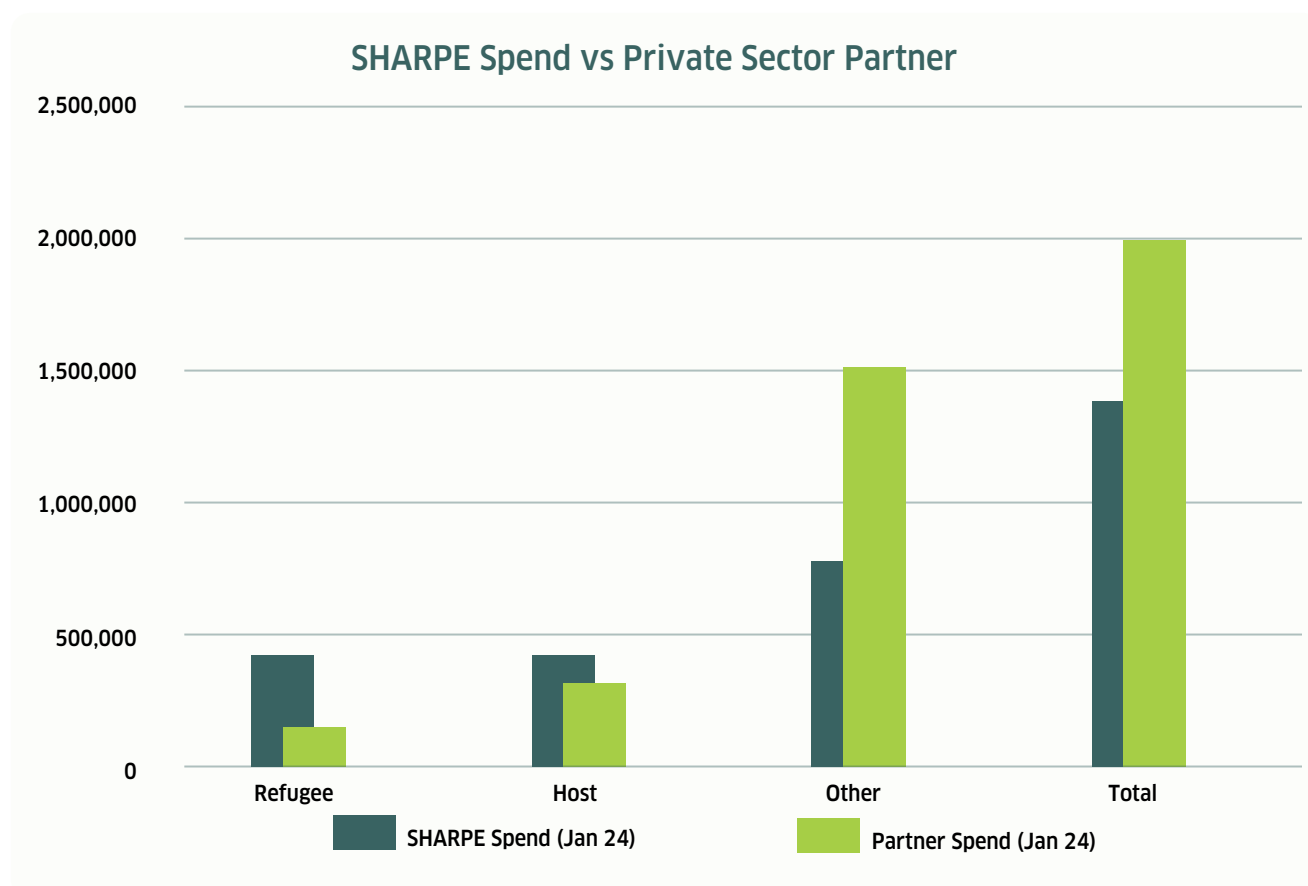
4.2 Performance against Efficiency indicators

Partner leverage ratio (SHARPE spend: partner spend)

SHARPE provided grants to 226 different enterprises¹¹, which range significantly in size, sophistication, and ownership-type. Broadly, these enterprises fall into three categories:

- Large, national companies, often headquartered in Addis Ababa. Examples include Shayashone, an Addis-based agro-input supplier with a network of more than 450 vendors and 400 youth resellers across Ethiopia, and Shabelle Bank, the largest bank in the Somali region and one of the leading providers of Digital Financial Services in Ethiopia.
- Small and medium regional companies, typically host-owned. Examples include Shifo, a small, host-owned agro-vet based in Kebribeyah town and serving approximately 3,000 people in the host and refugee community at the time of the first SHARPE grant.
- Micro-enterprises, typically refugee-owned but also host-owned, and often informal. This includes, for example, small-scale poultry farmers and vegetable farmers.

As explained above, for each grant the partner is expected to contribute a cost-share/in-kind. The amount depends on the size and capacity of the partner. The graph below shows refugee partners receive a higher proportion of funding compared to Hosts and 'Other' partners (typically larger Addis based firms).



Since 2020, SHARPE leveraged a total of £1,994,054 in partner spend (exceeding the logframe target of £1,750,000). The programme spent a total £1,269,843 on partnership grants, meaning for every £1 SHARPE spent, our partners spent £1.43. The amount leveraged depends on partner type. For refugees, SHARPE has invested a greater amount of cost-share, for larger firms this is much less.

Category	Investment leveraged
Refugee	£0.37
Host	£1.75
Other	£1.94
TOTAL	£1.43

¹¹ Note SHARPE has signed 251 total partnerships, but this includes 25 MoUs

The ratio represents the value that the partners committed to spend in the deal agreed with SHARPE. Whereas in reality, we know in many cases the partners will have invested more and continued to expand their businesses post SHARPE support. While SHARPE's overall private sector investment leverage ratio stands at £1.43, which remains a commendable return on investment, a slight decline over time reflects the programme's strategic shift in focus during its extension phase. Since March 2023, SHARPE has intentionally prioritised partnerships with refugee businesses—123 out of 150 partnerships signed during the extension were with refugee-led enterprises. This deliberate approach aimed to stimulate inclusive growth and support the development of refugee economies.

The leverage ratio for refugee partnerships (£0.37) is naturally lower than that of host (£1.75) and regional/national (£1.94) partners. Moreover, additional groundwork required to bring refugee businesses to investment-readiness, such as licensing, registration, and formalisation processes—costs are not reflected in the leverage ratio. It is also important to contextualise this as refugee businesses typically operate in more volatile and high-risk environments, which means private sector capital mobilisation is more challenging.

Despite these challenges, many refugee businesses have demonstrated resilience and sustained operations over time, which in itself signals strong potential and value for money. This means that even after SHARPE support, refugee businesses are likely to continue investing in the business models for either sustaining their businesses or to scale up. By supporting these businesses, SHARPE is laying critical foundations for long-term economic inclusion, and the overall leverage ratio of £1.43 reflects a meaningful return in the context of the programme's pro-refugee strategy.

The table below shows the percentage of cost share from SHARPE for each group. Notably the cost share for refugees is higher compared to Host and Other partners. This is because typically these businesses require less support to become 'business ready' compared to refugees. In addition, for many of the Host partners, SHARPE signed MoU's which did not include financial contribution from SHARPE.

Category	% SHARPE Cost Share
Refugee	73
Host	36
Other	34
TOTAL	39

Achieving systems change through in this context is challenging. In comparison to a 'typical' MSD programme, SHARPE had to be much more hands on (as opposed to light touch facilitation more typical of MSD projects in more developed markets). SHARPE operated in very thin markets and had to build the system from the bottom up. This meant the programme had to establish and build the capacity of system actors. Necessarily, this process takes time and requires direct involvement (including meetings with partners to brainstorm and troubleshoot approaches, earlier or heavier up front financial investment etc) which means private sector funding leverages and examples of crowding-in happened in the latter stages of the project. This context is important in assessing whether the amount of private sector funds leveraged represents good value for money.

Box 3: The Cost of Inclusion: Investing in Thin Market Economies

In thin markets, achieving high leverage ratios is challenging due to factors such as underdeveloped financial sectors, regulatory hurdles, and heightened risk perceptions among private investors. Consequently, donor funding often constitutes a larger share of total investment to mitigate these risks and attract initial private sector participation.

For instance, blended finance, which combines public and private sector funds to support development projects, often measures effectiveness through the private sector investment leverage ratio. In well-established markets, blended finance transactions have achieved average leverage ratios of approximately 4:1, meaning each dollar of concessional funding mobilizes about four dollars of commercial financing. However, in challenging environments—often referred to as "thin markets"—these ratios tend to be significantly lower due to higher risks and fewer investment opportunities.¹²

A study by the Overseas Development Institute (ODI) found that in low-income countries (LICs), the public sector (including Multilateral Development Banks and Development Finance Institutions) often contributes up to 73% of the financing in blended finance investments, resulting in lower leverage ratios.¹³ Similarly, in Market Systems Development (MSD) and Private Sector Development (PSD) initiatives in well-established markets,

¹² Andrew Apampa, "How Much Does a Dollar of Concessional Capital Mobilize?" Convergence, February 21, 2023, <https://www.convergence.finance/news/4cC8kVJXvOFZDVxGQ6HLNH/view>.

¹³ <https://media.odi.org/documents/12666.pdf>

higher leverage ratios are common due to lower perceived risks. Conversely, in "thin" markets—characterized by limited private sector activity and higher volatility—donor contributions often play a more substantial role, resulting in lower leverage ratios.

A review of DFAT’s Market Development Facility (MDF), which applies the MSD approach across diverse country contexts, reveals significant variation in private sector leverage. In relatively more developed economies like Fiji, Pakistan, and Sri Lanka, each AUD 1 of donor funding mobilized approximately AUD 4.04, AUD 2.74, and AUD 1.26 in private capital, respectively. In contrast, thinner markets such as Papua New Guinea and Pacific Island nations (Samoa, Vanuatu, and Tonga) achieved lower leverage ratios, with AUD 0.89 and AUD 0.44 mobilized per AUD 1 of donor funding, respectively. This underscores the influence of market maturity on the capital leveraging potential of MSD programmes.¹⁴

Partner Adoption and Sustainability Rate

Businesses continuing to independently pursue activities after the end of SHARPE support was a key indicator used to assess the viability and resilience of the business models pursued by SHARPE. It was not expected that every business would survive, particularly given the number of high-risk start-up enterprises that have been supported by the programme and the challenging economic context. However, the programme reported that 134 SHARPE supported businesses out of 233 individual businesses who signed partnerships with SHARPE¹⁵ are still continuing their new business model six months after the end of SHARPE’s support. This includes the following businesses:

- 45 poultry farms – 13 in Gambella and 32 in Jijiga
- 19 agro-vet dealers – 5 in Gambella, 6 in Jijiga and 8 in Dollo Ado.
- 7 solar-powered restaurants – 5 in Gambella, 2 in Dollo Ado
- 1 poultry feed dealer (Jijiga) [Host]
- 14 energy kiosks – 5 in Gambella, 3 in Jijiga, 6 in Dollo Ado
- 39 goat traders and aggregators – 13 in Gambella, 10 in Jijiga, 16 in Dollo Ado
- 2 feed manufacturers – 1 in Gambella and 1 in Jijiga
- 7 lead firms – EthioChicken; Shabelle Bank; Belcash; Hello Solar; FiberMart; Shayashone and EthioFeed.

Active Partnerships	% of Active Partnerships
Refugee	80
Host	75

Indirect Partner Adoption Rates

In addition to direct partnerships, SHARPE used a number of different models to indirectly support refugee and host businesses. This included using Terms of Reference for training providers and partnering with larger lead firms who then partner directly with refugee/host partners. The partners supported indirectly are not included in the total partnerships or adoption rates above, however it is important to highlight that the adoption rate of indirect partnerships is 100% due to them making a choice to adopt a new practice within the system.

Despite not signing direct partnerships, SHARPE has continued to monitor the adoption rates of these partnerships and have direct engagement with the business owners. SHARPE proactively communicated the learnings to lead partners and worked with them to strengthen their business models.

Indirect partnership models included:

- To support the growth of the digital financial services ecosystem:
 - SHARPE worked closely with Shabelle Bank to co-finance interest-free business loans of Birr 60,000 (£1,000) for 41 HelloCash agents. The grant agreement was signed with Shabelle Bank, rather than business owners. All 41 loan recipients paid back their loans within six months, convincing Shabelle Bank of the viability of the refugee market for micro-lending.
 - SHARPE supported 329 DFS agents, working for Shabelle Bank, who were able to provide mobile

¹⁴ Market Development Facility. "2023 Annual Report." Market Development Facility, 2024, <https://marketdevelopmentfacility.org/2023-annual-report/>.

¹⁵ Note 18 businesses signed more than one partnership with SHARPE

- money services to host and refugee communities. The DFS agents are now also offering services from a range of providers who have crowded in such as Ebirr, Sahay and E-Sahal.
- SHARPE supported the establishment of 50 Community Animal Health Workers in training delivered by Regional Livestock offices. Following the training SHARPE supported the CAHWs with additional resource to open their own shops. Of the 50 trained, only one of the CAHWs is inactive (due to another business opportunity arising)
- SHARPE partnered with FiberMart to collaborate in the building, distribution, and installation of solar energy kiosks across Jijiga, Dollo Ado, and Gambella. The partnership supported 15 refugee micro-business owners with the resources to expand their retail businesses while simultaneously creating access to energy services for both host and refugee communities. 14 out of the 15 are still active.

Indirect partnerships have demonstrated positive and sustainable impact. Importantly, the ability to utilise different approaches meant SHARPE has been able to operate flexibly and respond to the needs of refugee and host business owners. This has driven the overall efficiency of the programme.

Crowding-in ratio (number of partners adopting new or improved practices: number of ‘copycats’)

Due to the nature of the thin markets, SHARPE experienced less crowding in compared to other more typical MSD projects. As explained previously, SHARPE had to build the system most from scratch and establish and then support market actors to operate effectively. This meant there were very few market actors who had the capability and capacity to crowd-in during the programme lifespan. However, in the final phase of SHARPE there was growing evidence of other actors copying the activities of SHARPE, mainly in the sectors of poultry and financial inclusion (see below). This was a factor in demonstrating the effectiveness, and long term sustainability of the business models developed by the programme.

Financial Inclusion: Prior to SHARPE there were very few digital financial services across the remote areas where refugees live. Due to the SHARPE investment in Shabelle Bank, mobile money services are firmly embedded in refugee hosting areas. Since the first partnership with Shabelle in 2020, SHARPE observed the crowding in of other digital financial services providers in the refugee hosting areas of the Somali region. This included Sahay and E-birr. Shabelle Bank ultimately lost their market advantage, but the crowding in of other DFS providers meant that the refugee and rural host communities continue to have access to DFS.

Poultry: Through SHARPE supported feed agents and engagement with the Jijiga Poultry Hub, the programme was able to collect evidence of other refugee poultry businesses operating in Sheder and Aw-Bare. This was positive in showing the viability of the poultry market and its appeal to refugee entrepreneurs.

For crowding in to happen in the poultry sector, SHARPE learnt the right conditions needed to be in place. This included a clear business model with the right type of breeds (which took place in Jijiga in 2023). As well as this, poultry business owners needed to have access to information, advice and inputs for starting up – this was made possible through the poultry hub established in 2023/2024. In addition, poultry businesses needed a network of CAHWs and agro-vet, this system was fully established by 2024.

Determining successful and unsuccessful partnerships

As reported above, SHARPE closely monitored partner activities during and after SHARPE supported ended. Successful partnerships were defined as remaining active for a minimum of six months beyond the end date of the partnership.

Overall, SHARPE had greater confidence in the long-term sustainability of partnerships based in the region. These were ultimately the ‘most’ successful partnerships as the long-term business model was in alignment with SHARPE’s vision.

The more typical ‘lead firms’ based in Addis, while likely to continue to operate their businesses did not necessarily commit to continuing business activities which were inclusive of host and refugee communities beyond the length of their engagement with SHARPE. For example, as outlined in the [Poultry Case-Study](#), SHARPE shifted away from the original ‘mother-unit’ model developed with Ethio-Chicken.

Similarly, the lead firm partners (FiberMart, Hello Solar and Acme) with who SHARPE developed models to implement accessible solar energy business models were based in Addis. With the exception of Acme (partnership signed in the final year and therefore too early to determine whether they will continue), the partners were less connected to the regions and failed to resource the interventions properly. The lack of sustained regional presence meant that the business models are unlikely to continue beyond SHARPE. In the case of FiberMart, SHARPE had to source and capacitate local technicians to address technical issues with the solar kiosks.

Contextual Factors

SHARPE operated in a changing environment which meant the programme had to continually adapt its approach. The following factors impacted the efficiency of delivery during the programme:

Gambella Security: The security situation in Gambella was a constant challenge throughout the programme duration. There were extended period of time when it was not possible to access the camps due to the conflict. As a result, in the final phase of the programme SHARPE focused primarily on Jewi Camp. This was due to relatively constant access to the camp, in comparison to other districts.

Ration Suspension: Between June to October 2023 there was a suspension in rations for refugees across Ethiopia, where without any prior warnings, refugees stopped receiving their monthly food and cash allocation. This has a significant impact on SHARPE supported businesses who had to rely on income from their businesses, savings, selling of assets or remittances to support their households. A number of SHARPE supported partners required additional support during this period to re-start their businesses. SHARPE made the decision to provide further support to partners that had demonstrated a positive trajectory prior to the ration cuts and who were committed to building their businesses. This period demonstrated the vulnerability of refugee partners and the importance of building the system to position them to withstand shocks.

To better understand the impact of the shock SHARPE conducted a study to determine whether our partners had increased resilience to respond to the shock, with key findings including:

- Ability to cope with a shock is reliant on overall magnitude of income and related reliance on rations. Refugees who had higher income that they could sustain to cover monthly expenditures during rations cut were able to absorb the shock. SHARPE supported businesses were found to be in a stronger position to recover from the shock compared to other interviewed refugee businesses.
- Ability to cope with a shock is reliant on the ability of a business to adapt. SHARPE has supported refugees to develop support networks and interconnections that help increase a refugee business's adaptability.
- Ability to draw from multiple income sources provides more options during shocks. SHARPE has enabled refugees to diversify their income sources which has given them greater resilience.

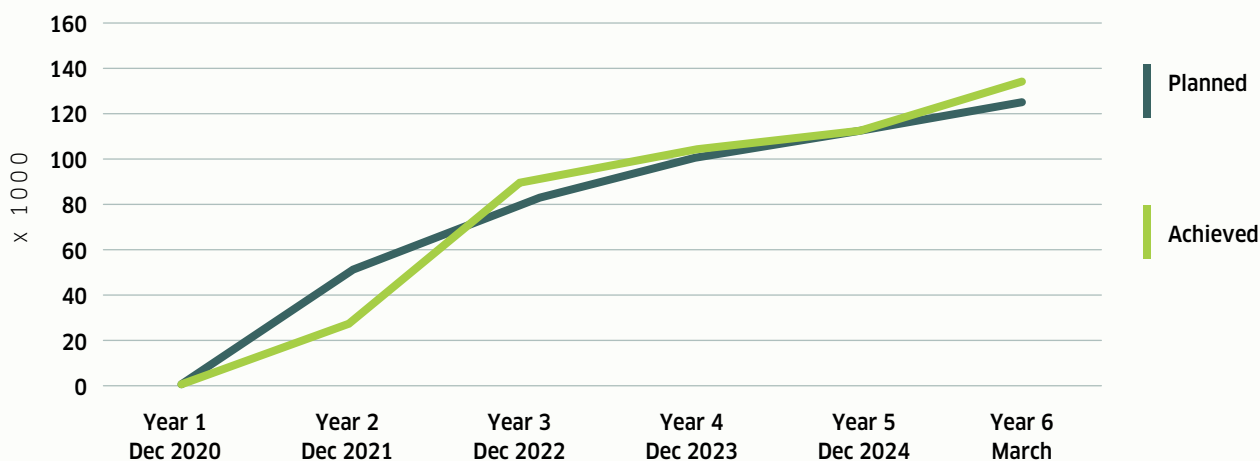
SHARPE Results

Despite the contextual challenges outlined above, SHARPE exceeded its overall impact target by 7% - number of refugees and host populations experiencing at least income change, improved employment, savings on expenditure or increase on liquid assets. The programme reached 134,229 individuals (against a target of 125,000).

The graph below shows the steepest increase in numbers reached occurred between Year 2 and Year 3. SHARPE achieved its highest numbers/results through the financial inclusion intervention, most notably through the partnership with Shabelle Bank. In total, SHARPE reached 68,075 Hello Cash customers who benefitted from increased cost saving during Year 2 and 3.

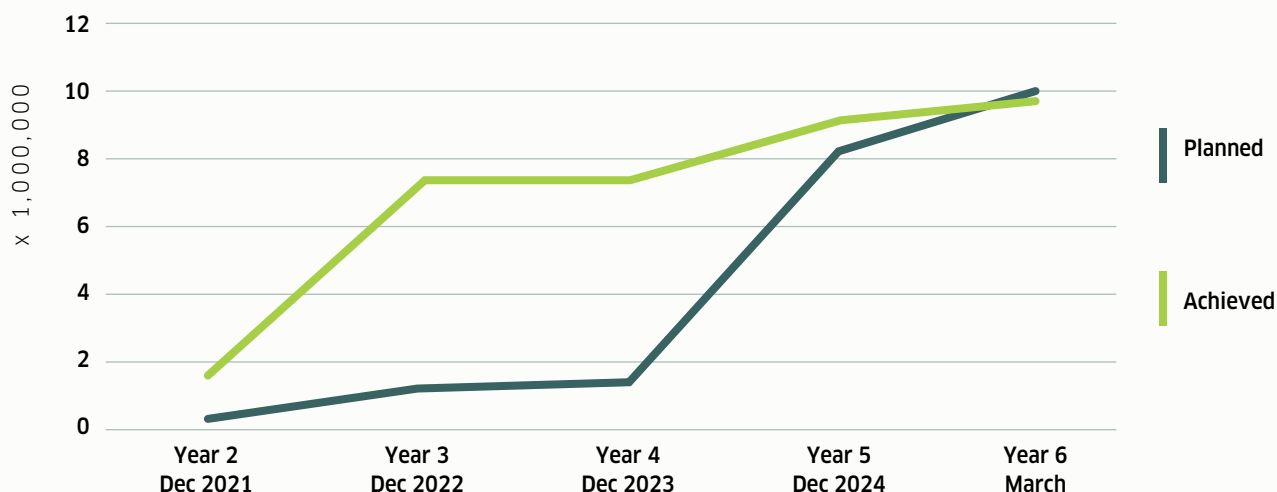
The numbers reached during the extension phase (March 23 – 25) continued to increase, but at a slower number due to the targeting of individual refugee businesses rather than larger scale financial inclusion intervention.

Impact Indicator 1: Number of hosts and refugees reached



The final results found the change in net attributable income among host and refugee populations to equal £9,785,931 against a target of £10,000,000 (97.8%). However, within the six months after programme closure (by September 2025) it is expected that this target of £10,000,000 will be reached because the current total does not include the 20 poultry farms newly established in Dollo Ado (because they have not yet started earning income from the eggs) and also does not yet include profits from the newly established Horn Afrique poultry farm in Bokolmayo.

Impact Indicator 4: Aggregate net attributable income change (£)



Assessing SHARPE's performance against benchmarks

Businesses supported by SHARPE tend to generate increasing sales over time as they mature, gain market experience, and build stronger customer relationships. This positive trajectory reflects SHARPE's long-term, adaptive approach to market systems development, which focuses not only on commercial growth but also on resilience and sustainability. However, it is important to note that the sales performance of SHARPE-supported businesses is closely linked to both the type of business model and the sector in which they operate.

SHARPE's operational context is highly complex (as explained above) shaped by the dual challenge of working with refugee populations and delivering interventions across three distinct geographic regions. Each area has its own social, economic, and infrastructural realities, requiring context-specific approaches. In Jijiga and Dollo Ado, which lie in the Somali Region, the refugee and host populations are familiar with mobile money, enabling the programme to successfully collaborate with Shabelle Bank to scale digital financial services (DFS). This partnership has not only expanded access to finance but has also generated substantial sales volumes, given the scale and reach of the DFS platform.

Gambella, on the other hand, presents a markedly different set of conditions. The refugee population here, primarily from South Sudan, relies more heavily on livestock and has limited exposure to digital financial systems. In this context, the DFS model used in the Somali Region would not be effective. SHARPE has therefore focused on business models that align with the economic practices and cultural norms of this population, such as livestock trading and other small-scale, agriculture-based enterprises. While these businesses may not produce high sales figures, they are deeply relevant and appropriate, providing pathways for inclusion and economic agency that reflect the lived experiences of the people SHARPE serves.

What sets SHARPE apart is that it does not select sectors based on their potential for high revenue generation alone. Instead, it prioritises what is most suitable for refugee and host communities in each location. This explains why the programme supports both large-scale partnerships with formal financial institutions and smaller, community-rooted enterprises like commercial poultry farms and micro-livestock businesses. Many refugees have experience managing such businesses in their countries of origin, making these models not only practical but also familiar and empowering.

Given this level of contextual tailoring and diversity in interventions, SHARPE's performance cannot be meaningfully compared against a standard benchmark. The programme is, in many ways, unique—perhaps one of a kind—in its focus on economic inclusion through market systems development within refugee-hosting areas. The variation in regional dynamics, sectors of engagement, and types of business models supported means that there is no comparable programme or uniform standard against which SHARPE's results can be directly assessed. Any evaluation of its performance must therefore consider its distinct operating context and its commitment to delivering inclusive, locally relevant, and sustainable outcomes.

Box 4: Building a market system in Jijiga

Across the three regions, SHARPE considered the interventions in Jijiga to ultimately be the most successful, with the strongest evidence of resilient markets. There were strong linkages between the sectors and evidence of partnerships continuing without SHARPE support. Out of the total SHARPE partnerships, 39% of partnerships were in Jijiga, followed by Gambella (37%) and Dollo Ado (24%). Due to ease of access and very few security incidents, the Addis based technical team were able to visit regularly and work closely with the Jijiga hub team.

In Jijiga, working through Horn Afrique Poultry Farm (HAPF), SHARPE first tested our poultry hub model. By the end of SHARPE, this was one of the programmes most effective partnerships - supporting a total of 68 active refugee and host poultry farmers to expand their commercial poultry businesses. Through HAPF, poultry farmers are able to access technical advice from the poultry hub, as well as have the option to sell eggs directly to HAPF. The poultry hub has hired at least six of SHARPE supported newly trained refugee Community Animal Health Workers to provide specialist poultry veterinarian services to refugee poultry farmers. In addition, the poultry hub is working with two feed agents based in the refugee camps to supply their own feed to refugee and host poultry farmers.

The market for eggs is booming across the region. The border location has a positive impact on the market activities. SHARPE identified refugee host traders who were independently buying eggs from SHARPE supported poultry farmers and selling (for profit) in local and cross border markets. These were new income generating opportunities created indirectly by SHARPE.

In Jijiga, SHARPE has also supported 20 goat traders, who have strong linkages, facilitated by SHARPE, between both refugee and host partners. The goat traders similarly benefit from access to cross border markets.

By way of comparison, security challenges have impacted the roll out of interventions in Gambella. This restricted camp access and prevented regular activity monitoring from the SHARPE team. Implementation in Dollo Ado was similarly restricted due to the remoteness of the location (no commercial flights) and the

Lessons Learned

- The impact of one effective and proactive partner can be significant reaching in terms of building the system. HAPF exceeded the initial partnership expectations and was able to fully use SHARPE investment to strengthen their operating model to be fully inclusive of refugee partners. SHARPE worked with HAPF to expand their operations to Dollo in the final phase of the programme, showing that the model was scalable.
- Location was a significant factor in achieving results in Jijiga. The ability to access the camps in Jijiga without interruption made both implementation and ongoing monitoring more effective. In addition, the scale of the camps in Jijiga (Awbare, Sheder and Kebribeyah) is much smaller than Dollo Ado and Gambella. This meant that the team were better able to build, manage and connect partnerships more easily. In Dollo Ado and Gambella, the scale and distances between the camps is significantly bigger. On reflection, given the time period and available budget, SHARPE should have focused on fewer camps in Dollo Ado and Gambella.

Overall Assessment:

As explained in this section, it is challenging to assess the performance of SHARPE against comparable benchmarks. However, SHARPE achieved its overall impact targets and was also able to leverage private sector funds across all sectors. The evidence of crowding in shows the business models developed by SHARPE have longer-term sustainability, particularly in the areas of digital financial services and poultry.

5. Effectiveness and Cost Effectiveness

Maximising Effectiveness means maximising the conversion of ‘outputs’ into ‘outcomes’ and ‘impact’.

5.1 SHARPE processes for maximising Effectiveness and Cost Effectiveness

Intervention design processes

SHARPE’s commitment to maximising both effectiveness and cost-effectiveness was embedded in its intervention design and review processes. All interventions were developed using detailed ‘results chains’ which served as the foundation for designing, monitoring, and adjusting implementation strategies. These results chains mapped a logical and evidence-informed pathway from specific activities to outputs, outcomes, and ultimately, long-term impacts.

Each stage of the results chain was represented by “change boxes,” which outlined the expected causal links between one level and the next, while also documenting the key assumptions that were critical to enabling change. For example, the promotion of good poultry practices through commercial poultry mother units (input) was linked to improved knowledge or practices among market actors such as commercial poultry farmers (output), which in turn was expected to lead to increased income or resilience through egg and meat sales (outcome/impact). By systematically monitoring progress against each change box, SHARPE was able to validate the assumptions underpinning the intervention logic. This evidence-driven process enabled the team to assess whether interventions were achieving their intended results and contributing towards the programme’s overarching goals, as set out in the respective ‘Partnership Concept’.

Outcome and impact monitoring and adaptive management processes

During implementation of SHARPE, if an intervention was not delivering as expected, the team was required to engage in on-ground analysis, drawing on narrative reports from implementation partners, feedback from the field, and collaboration with the MEL team. This joint problem-solving process allowed the team to identify possible reasons for underperformance—such as flawed assumptions, changes in market dynamics, or external shocks. In cases where the available data was insufficient to pinpoint the issue, the team undertook additional data collection to fill information gaps and inform next steps.

This process of continuous learning and adaptive management was fundamental to SHARPE’s implementation strategy. It enabled the programme to remain flexible, responsive to contextual changes, and focused on achieving sustainable, systemic change. By embedding reflection, evidence use, and real-time adjustment into its core operations, SHARPE was able to improve the overall effectiveness and cost-efficiency of its portfolio—ensuring that resources were used strategically to deliver the greatest possible impact in fragile and conflict-affected settings.

Portfolio management processes

Throughout the programme, SHARPE regularly reviewed the progress of the overall portfolio through both formal and informal means. SHARPE held a weekly technical meeting to continuously check-in on progress.

To ensure ongoing effectiveness and allow for timely course correction, SHARPE instituted a robust review cycle. Full portfolio reviews were conducted at least every six months, complemented by lighter, interim check-ins every three months. These reviews provided a structured opportunity for technical teams to reflect on progress, analyse results, and make informed decisions about the future direction of interventions.

Internal and external synergies

By working systemically SHARPE was able to identify synergies and cross cutting themes across the portfolio. The SHARPE hub teams worked across all sectors and were well placed to advise the Addis team on emerging connections between different thematic areas. The weekly technical meeting combined with formal review points (see above), provided the mechanism to regularly discuss synergies and how to capitalise on opportunities.

Examples of where programme synergies furthered results included:

Financial Inclusion: SHARPE’s intervention to increase access to finance aimed to accelerate expansion of

Shabelle Bank's DFS / Hello Cash platform into remote, refugee hosting regions and allow people in these regions to take the first steps towards formal financial inclusion. Prior to SHARPE intervention there was limited outreach of digital financial services (DFS) outside of Jijiga town (in Somali region). The impact of this intervention meant that refugee business owners had access to mobile money services and SHARPE supported agro-vets were able to access to small loans to expand their businesses. Shabelle Bank is also now moving towards providing loans to refugee businesses across other sectors.

Agri-business services: SHARPE strengthened access to veterinary services and invested in quality feed production as critical services that benefited both poultry and livestock businesses across all three regions.

5.2 Performance against Effectiveness and Cost Effectiveness indicators

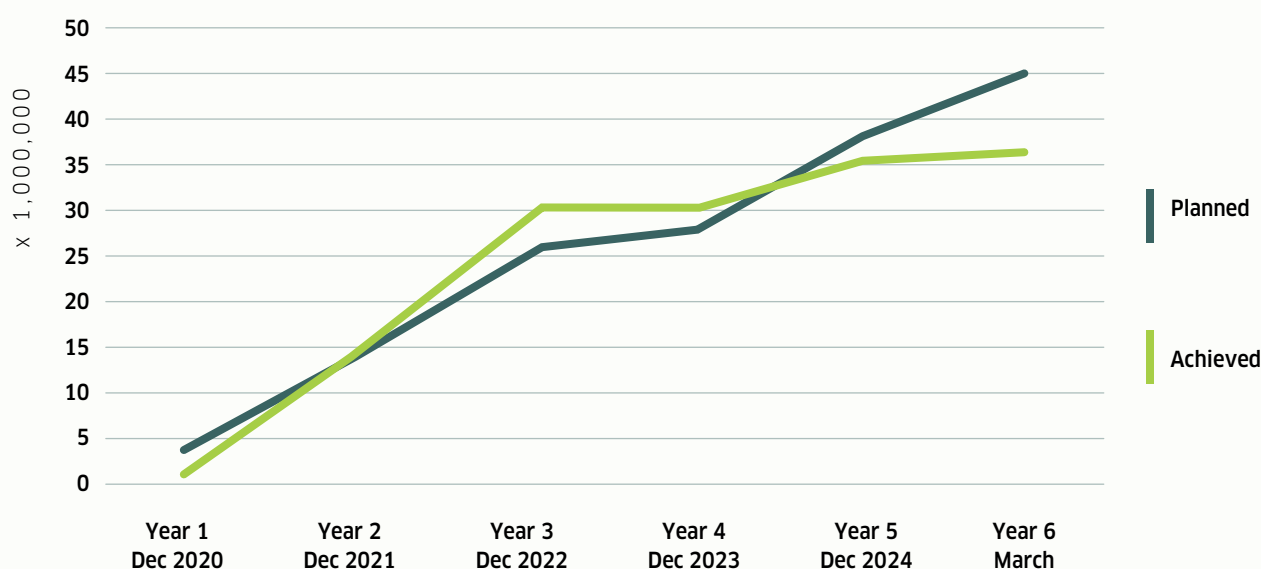
Partner performance improvement rate

Across SHARPE's implementation areas, a total of 344 supported business actors showed improved enterprise performance. In Gambella, 106 businesses improved—56 were refugee-owned and 50 host-owned. In Jijiga, where intervention design placed a stronger focus on refugee inclusion, 76 refugee-owned and 15 host-owned businesses recorded improvements. In Dollo Ado, 66 refugee-owned and 11 host-owned businesses showed positive performance changes. This brings the total to 198 refugee-owned and 65 host-owned businesses with improved outcomes, reflecting SHARPE's targeted support in enabling inclusive growth in challenging contexts.

These improvements occurred across a range of business types. Commercial poultry businesses accounted for 26% of the total (90), followed by goat traders at 17% (58), and community animal health workers at 14% (49). Agrovets shop owners made up 6% (21), solar kit agents and energy kiosk operators each contributed around 5% (16 and 14 respectively), while seed multipliers represented 4% (14). Feed agents and fishery business operators accounted for the remaining 1% and 2% respectively (5 and 7). This sectoral distribution highlights SHARPE's adaptive and diversified approach, ensuring that performance gains were spread across various value chains and support functions critical to local economies.

The graph below shows the increase in sales by SHARPE supported businesses, demonstrating the positive improvements across the portfolio.¹⁶

Outcome Indicator 2: Sales (£) generate from SHARPE-supported business models



Average number of beneficiaries per sector

The total number of individuals benefiting across SHARPE's larger partnerships is calculated to be 134,229. These beneficiaries experienced improved access, increased incomes, or cost savings, depending on the nature of the intervention. Given the diversity in how the "benefit" is realised—ranging from cheaper products or services to increased sales or income—the analysis below presents a disaggregated understanding of how these benefits were distributed.

¹⁶ SHARPE did not fully meet the target for this indicator due to the slow down of the DFS interventions, in the extension SHARPE also focused on a smaller number of refugee businesses which while successful did not generate such large volumes of sales.

Digital Financial Services: The partnership with Shabelle Bank and mobile money agents, reached 68,436 individuals. These beneficiaries benefitted primarily through reduced transaction costs and improved access to financial services. This happened in areas where travel to banks or ATMs would otherwise require significant time and money, DFS enabled secure and convenient transactions closer to home.

Agrovets: Through this intervention, 38,968 individuals benefitted. In the Somali region, the value lay in cost savings due to improved access to agrovets inputs, with shops now closer and more responsive to local needs. In Gambella, there were additional productivity benefits including improved or sustained milk yields from timely animal health treatment, which was previously inaccessible.

Poultry: The poultry partnership benefitted 18,431 individuals through both supply and demand channels. On the supply side, commercial poultry farmers reported increased incomes due to better feed and breed availability, while consumers in refugee and host communities accessed cheaper eggs and meat more consistently.

Improved Seed: For the Alworo maize seed intervention, 6,060 individuals gained access to locally produced seed varieties through Alworo's seed multipliers, saving on transport costs and ensuring timely availability of input. In contrast, the Shayashone seed multiplication effort reached just 3 lead farmers, who benefitted through improved vegetable crop yields using SYS seed varieties. However, benefits for the wider farmer population using SYS seed could not be verified within the programme's timeframe.

Solar products: Hello Solar provided 2,231 individuals with access to solar lighting and charging products. These individuals benefitted from cost savings compared to relying on fuel-based lighting such as generators or portable torches.

Smaller interventions also contributed to localised economic outcomes. Goat fattening supported 76 beneficiaries, mainly through increased incomes from improved herd sizes and market linkages. The energy kiosk model impacted 15 kiosk operators, primarily through business income gains. Similarly, the fishery business partnerships reached 7 women beneficiaries, enhancing income from women run fish businesses.

While smaller-scale partnerships had limited reach, the larger interventions—especially DFS, agrovets, and poultry—collectively accounted for over 93% of all reported beneficiaries. These interventions show strong average reach per partner, and the benefits were not only widespread but also aligned with local constraints and opportunities.

Cost per beneficiary

Based on verified results to date, the cost per beneficiary under SHARPE stands at £98.17, calculated by dividing the total programme spend of £13,180,422 by the 134,229 individuals who have benefitted from SHARPE-supported interventions. This figure provides a benchmark for value for money, particularly when compared to the economic returns generated.

To date, SHARPE has contributed to £9,785,931 in net additional attributable income for supported market actors. In addition, the net additional sales revenue generated by SHARPE-supported businesses is £36,142,657. These figures reflect the real economic gains achieved through SHARPE's facilitation of market access, improved input availability, and stronger business models. The programme has consistently targeted thin and underdeveloped markets where private sector activity is limited, making these outcomes particularly significant.

However, the full scale of benefits from SHARPE interventions is likely underreported due to several practical constraints. Data collection has been challenged by restricted access, insecurity, and limited mobility in target areas—conditions common in the refugee-hosting zones where SHARPE operates. Moreover, the timeframe under which benefits are recorded affects the completeness of the evidence base. The current data reflects only those benefits that could be verified during the programme implementation period and does not capture future or emerging gains from all partnerships.

For instance, poultry interventions in Dollo Ado—including the expansion of a regional poultry hub (Horn Afrique)—are expected to generate substantial benefits in the latter half of 2025 or early 2026, but are not yet reflected in current figures. Similarly, the full benefit of feed supply partnerships will only become visible once a wider base of poultry producers—including those not directly supported by SHARPE—begin accessing quality, affordable feed at scale.

SHARPE's monitoring system is designed to track outcomes for up to two years after the completion of intervention activities. Given that many SHARPE interventions continued to evolve and expand through late 2024 and early 2025, there is a strong case for extending the measurement window to ensure that outcomes are fully captured. In many cases, business models are only beginning to scale or deepen their outreach during this later phase. Extending data collection for another year would provide a more accurate picture of

longer-term sustainability and impact.

Even if the number of new beneficiaries does not continue to grow at the same rate, most individuals already reached by SHARPE are expected to continue benefitting over time—either through sustained income gains, productivity increases, or cost savings. Taking a conservative view and factoring in only those market actors who have demonstrated improved household performance, it is reasonable to expect that at least 157,432 individuals will be benefitting by 2026, which will bring the cost per beneficiary down to £83.17. This projection accounts for delayed benefit realisation from partnerships already in place without much growth.

Overall assessment: SHARPE used an effective adaptive management to its approach to delivery. This meant a robust process was in place to pivot or pause interventions which were not effective. Through this approach SHARPE was able to capitalise on learnings from across different regions and sectors. This is reflected in the results, which show the spread of beneficiaries reached (134,229) and cost per individual (£98.17). These numbers exceed the impact targets anticipated at the start of the project, which is significant given the challenging markets and shows SHARPE overall achieved effectiveness.

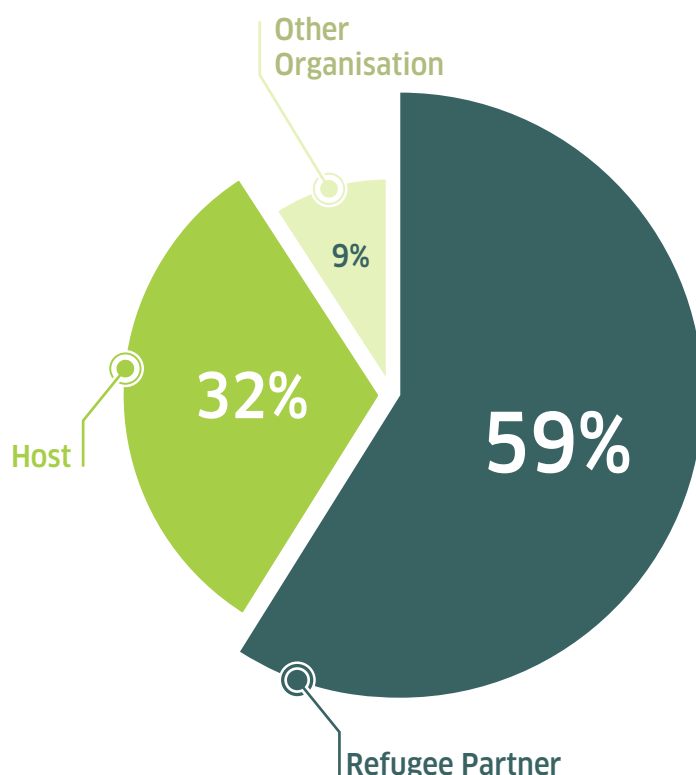


6. Equity

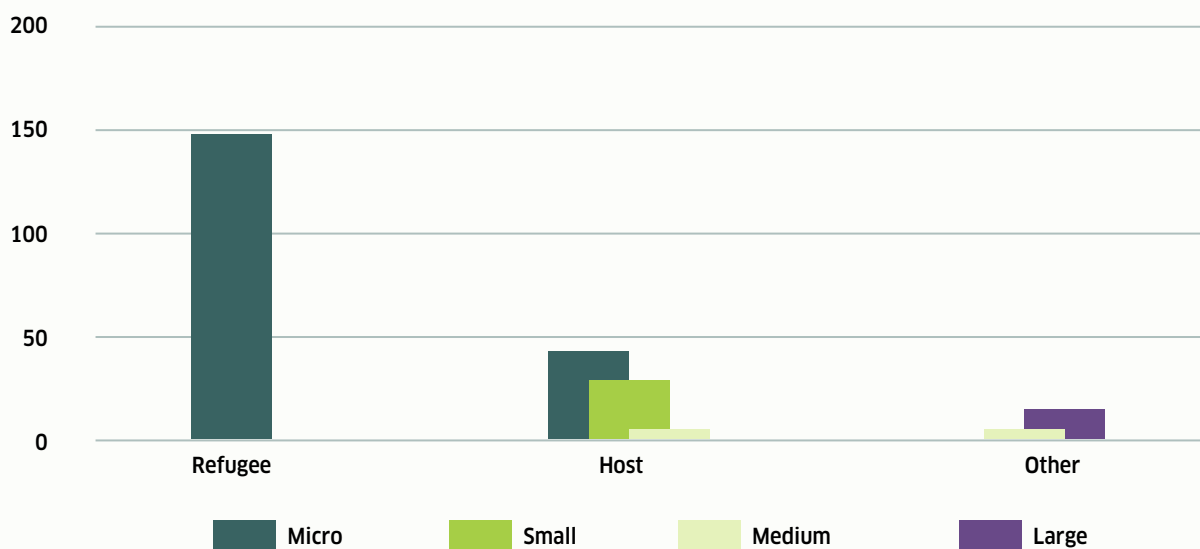
Delivering Equity means ensuring that the impacts of the programme are felt in particular by women, refugee and host communities, people with disabilities (PwD), and other marginalised groups. The purpose of SHARPE was to increase inclusive access for refugee and host communities, as such achieving 'equity' remained central to implementation.

6.1 SHARPE processes for maximising Equity

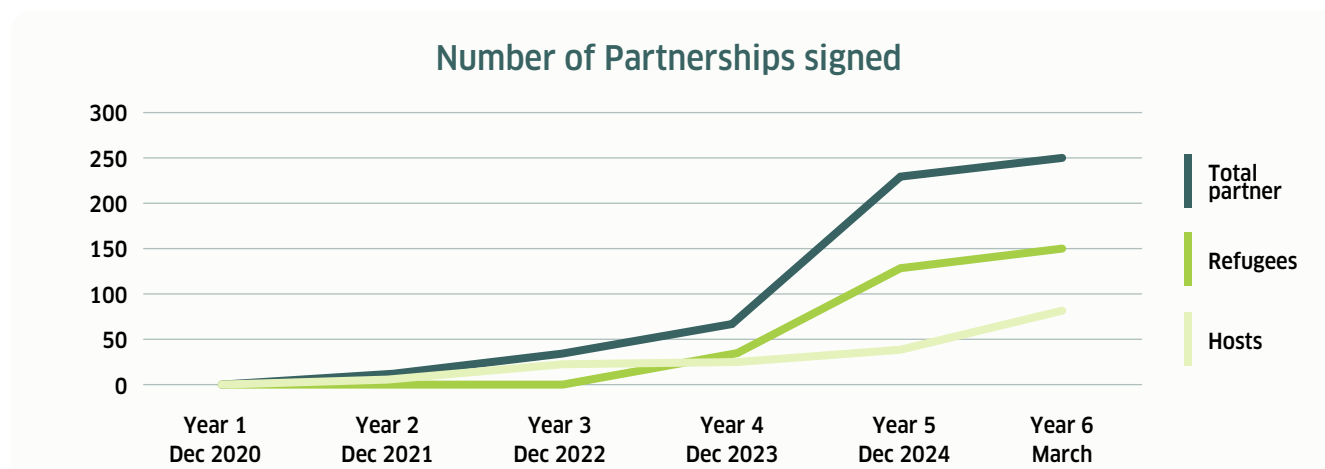
The charts below shows that 59% of partnerships were signed directly with refugee partners, followed by 32% with host and the smallest proportion 9% with other organisations. SHARPE worked predominately with microbusinesses owned by refugee and host partners.



Types of SHARPE supported business



The graph below shows the cumulative number of partnerships signed over the duration of SHARPE. The programme initially focused on signing partnerships with larger host firms, with the intention being that they would move towards inclusion of refugees in their business model. As SHARPE learned more about the context it became apparent that partnerships needed to be signed with refugees directly to support enter the markets. In the final two years, SHARPE focused almost primarily on working with refugee micro businesses, with a total of 147 refugee partners supported.



As reflected on above, the cost of working with refugee businesses is necessarily higher than start-up costs for other businesses. Refugees have limited resources to contribute to business start-up or expansion costs. Yet to achieve inclusive markets and reach equity, this is considered to be an important trade off in achieving the desired results.

Box 5: Lessons learned: How to support Refugee Businesses

Due to the challenges and time taken to save a sufficient amount to invest in their own business, most refugees need to be supported to participate in markets. SHARPE learned refugee businesses are viable, given the appropriate support and markets to grow their business. While there is not one size that fits all, and each refugee entrepreneur has their own starting point and capacity, the package of support should generally include the following:

- Training (depending on the sector, should include theory and practical components and be delivered by a local experienced service provider)
- Inputs (E.g. livestock, feed, veterinarian drugs)
- Ongoing technical advice (Locally available information to address any issues as they arise)

The follow-up support is particularly critical in ensuring that adjustments can be made as needed and that refugee partners are able to access information as required. This is a shift away from distribution approaches where the package of support is not provided.

Gender and inclusion mainstreaming in partnership and intervention design

SHARPE operated in a complex context that required persistent monitoring and analysis to test whether market stimulation and benefits supported by SHARPE enforced or triggered conflicts and instead fostered equitable access for all, irrespective of gender, ability, age, ethnicity/clan. Disaggregated data collection was therefore a requirement to reduce the risk of bias or under representation. To ensure gender and inclusion mainstreaming was taking place in intervention design, SHARPE intervention results chains considered whether purposive sampling was sufficient and whether the time of day for data collection was conducive to collecting data from different groups of people. The MEL team regularly reviewed their approach and considered how best to reach women,

Importantly, one of SHARPE's indicators to measure market systems resilience is 'inclusion'. This was defined as 'the active involvement of vulnerable groups in the market system'. A more inclusive system provides more equality and opportunity, meaning it is more robust to shocks and stressors. SHARPE collected evidence of inclusion across seven markets in the three regions.¹⁷ The analysis found that digital financial service agents, poultry producers, agro-vets and goat traders have all been able to establish economically viable businesses now that they are linked with the wider market system. Each of these markets adapted their business models to be

¹⁷ See SHARPE Market Systems Resilience Report

more inclusive and offer services to refugee communities.

Processes to promote inclusive practice change in partners

SHARPE intentionally focused on developing business models which were inclusive of refugees, and in particular refugee women. The programme conducted analysis to understand barriers faced by marginalised groups. Barriers faced included limited freedom of movement, lower levels of formal education, unpaid domestic responsibilities, and exclusion from financial systems due to lack of collateral or business registration. Due to these restraints the programme realised refugee women are often less likely to benefit from generic MSD interventions.

To reach women, SHARPE learned that 'light facilitation' alone was insufficient and proactively adapted its approaches to better engage women and address systemic inequalities. This included changing business models to be suitable for a woman to run (e.g. right sizing the poultry model for refugee household level) and ensuring partnerships were directly signed with women business owners when appropriate. SHARPE also worked to adapt training models to be inclusive of women, for example for Community Animal Health Workers (see below).

Box 6: Gender Inclusion: Strategies to increase the numbers of female Community Animal Health Workers

The Community Animal Health Worker (CAHW) service is an important employment opportunity for both men and women. Female CAHWs are critical to reach female livestock owners, however, CAHWs in each SHARPE region are predominantly men. SHARPE's analysis found that female CAHWs have previously had high drop-out rates. One of the main reasons was the length of time taken to conduct the training course, typically held over 21 straight days. This prevented women from attending the course due to household responsibilities.

To navigate this barrier, SHARPE worked with the Regional Livestock Office to adapt the training model and prioritise women to be trained as CAHWs. The training was made more gender-inclusive by adopting the following strategies:

- Ensuring the training was segmented to allow participants to return home for weekends.
- Holding the training in towns close to refugee camps/host communities. This allowed trainees to either return at the end of each day or more easily travel back to their homes at weekends.
- SHARPE consulted with the husbands of female CAHW participants to ensure they were supportive of the training and would not create obstacles.

SHARPE has trained 18 women as CAHWs and they are successfully running their own businesses and providing vital care to livestock in their communities.



Sharpe supported Community Animal Health Worker in her shop in AwBare

Gender and inclusion monitoring and adaptive management

SHARPE disaggregated data by gender and refugee/host to continually monitor uptake of interventions across marginalised groups. This informed decision making throughout the programme lifecycle.

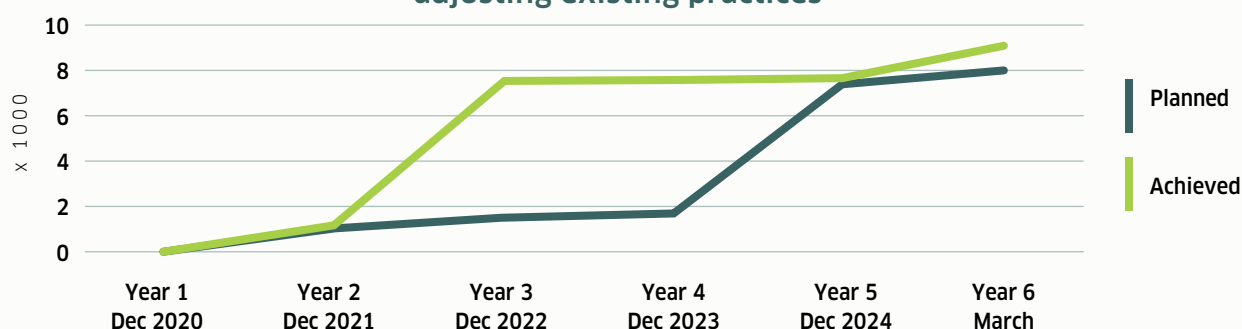
For example, monitoring of the intervention with Shabelle Bank revealed that the uptake of mobile money products was predominantly from men. Therefore, to better understand and address the low number of women using Hello Cash accounts, SHARPE conducted specific research into this issue. The findings revealed a combination of factors – lower literacy levels, a suspicion of mobile money, a perception that mobile money was 'just for rich people', and a fear that registering with an Ethiopian financial service provider would impact negatively upon their refugee status and entitlements. As a result of this research, Shabelle Bank adapted their marketing and promotional messages as a result, increasing enrolment among both women and refugees.

6.2 Performance against Equity indicators

Proportion of new or improved practices adopted by partners that are intentionally inclusive

All SHARPE partnerships were designed with the intention of reaching marginalised refugee and host communities. The graph below shows the number of market actors who then continued to adopt practices which are intentionally inclusive. This includes the SHARPE partners or MSMES found in the chain between SHARPE partner and beneficiaries (farmers, small informal businesses and consumers). The actors invested in new forms of inclusive service delivery (e.g., expanding digital financial services in camps, onboarding refugee agents, new production inputs and distribution to refugee and host communities to expand reach). This adoption of innovation is essential to reach large numbers of beneficiaries and enable them to adopt better practices.

Cumulative number of market actors adopting SHARPE supported practices or adjusting existing practices



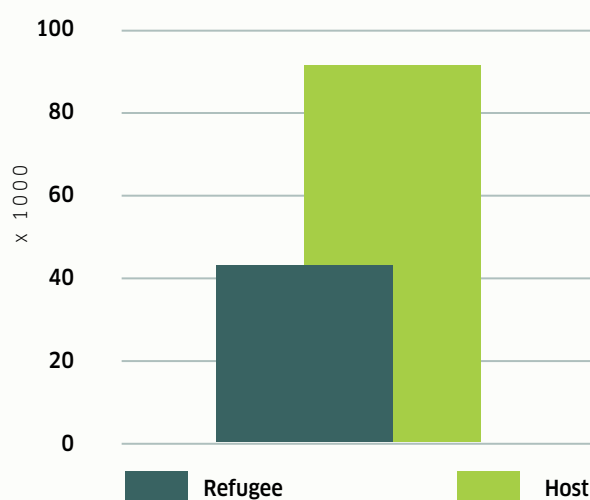
SHARPE exceeded the programme target of actors adopting or adjusting practices (total of 9,108 against a target of 8,000). This was predominantly due to the number of actors engaged in the poultry system (6,457). As commented on above, the poultry market was particularly inclusive of refugee women who were engaged as business owners, traders and consumers of poultry products.

Proportion of beneficiaries that are women, refugees, host community

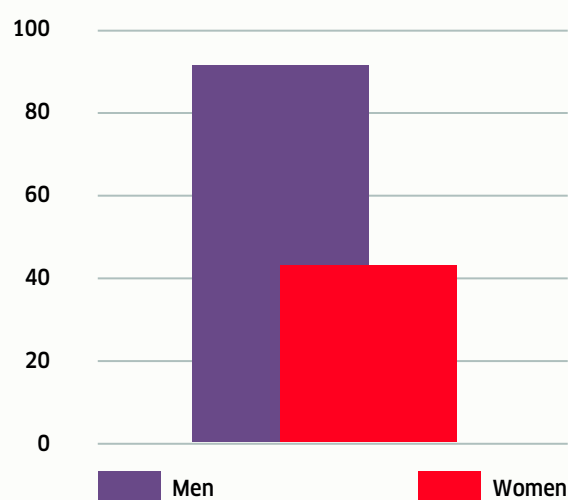
The graph below shows the breakdown of SHARPE beneficiaries at impact level (experiencing at least income change, improved employment, savings on expenditure or increase on liquid assets). SHARPE reached 42,275 refugees (31%) and 91,952 (69%) host beneficiaries. Of this total, 68% were men (90,957) and 32% were women (43,272).

Impact level beneficiaries:

Numbers of Refugees and Host



Numbers of Men and Women



7. Conclusion and Recommendations

This Value for Money Report has set out to determine whether SHARPE achieved results that matched the expectation and level of investment from the donor. Overall, the report finds there is sufficient qualitative and quantitative evidence against the key indicators to show SHARPE has met its VfM targets. The higher up-front costs combined with ongoing operating costs have been justified through the fulfilment of key impact targets and demonstrable long-term, sustainable impact for host and refugee. Ultimately it is important to reflect on the nature of thin and conflict affected markets - and understand that to achieve impact SHARPE had to both build markets that refugees could participate in and provide tailored support packages to refugee and host business owners. This was no small task. The programme also had to navigate challenges including covid, funding uncertainty, ration cuts, conflict and climate related shocks. Yet despite this, SHARPE has delivered an effective programme and this report concludes that SHARPE represents a strong investment in building inclusive, resilient market systems.

Looking forward, it is important to note that there are still very few existing programmes which have used a market systems development approach in this type of context and been able to deliver a similar level of long-lasting impact for refugee businesses. In the context of increased numbers of displaced populations and decreasing humanitarian aid, SHARPE offers a model that has real potential to change the landscape in building refugee self-reliance. The recommendations below reflect on what SHARPE did well and where other programmes could build on to improve delivery of similar projects and achieve good value for money.

7.1 Recommendations for donors

- **Time:** The Value for Money findings demonstrate the importance of the time needed to achieve sustainable results. It took several years for SHARPE to fully understand the operating context and then adapt a portfolio of business models to ensure they were successful, and inclusive of refugees. In the final phase of the programme SHARPE was then able to capitalise on the investment and focus on scaling proven models (such as poultry, goats and CAHWs) across all three regions.

Recommendation: MSD programmes operating in thin markets require a minimum of five years to achieve sustainable results and maximise value for money. To optimise donor investment and capitalise on programme learnings, we would recommend a 10-year implementation model (with appropriate formal review points embedded).

- **Cost:** The cost of reaching refugee business is higher than working with larger firms. To achieve refugee inclusion and build resilience in thin markets, programmes should be prepared to partner directly with refugee micro businesses to build capacity and capability to enter the markets. This level of support necessarily incurs greater cost.

Recommendation: Programmes designed to build refugee resilience and economic self-reliance require a higher level of investment, however this has the potential (with the right conditions) to create an enabling environment for refugees to transition away from aid dependence.

- **Setting realistic expectations for private sector funds leveraged:** SHARPE utilised cost-shares throughout the programme, with a higher percentage leveraged from larger businesses. However, given the thin nature of the markets SHARPE engaged more in building the market rather than leveraging private sector funding. As such the amount leveraged is lower than other private sector programmes.

Recommendation: Working with implementers to conduct analysis to understand the operating environment and who the private sector actors are before setting targets on private sector funds leveraged. It is challenging to benchmark given the context specific nature of this work.

- **Adaptive Management:** Using an adaptive management approach was fundamental to achieving results on SHARPE. The MEL data generated was used to inform strategic decision making and ensure the programme adapted business models as required. The targets set on SHARPE were amended during implementation as the programme team were able to refine the approach and target markets with a higher likelihood of sustainable impact.

Recommendation: MSD programmes in a FCAS context must be able to implement a robust MEL

system (aligned with the DCED standard) to ensure continuous learning and adaptation. Donors should monitor the results and be willing to amend targets as a more detailed and robust understanding of the context is developed.

- **Team Structure:** SHARPE operated with a core team based in Addis (including both operational and technical managers), three regional teams, technical assistance from consortium partners and oversight from the DAI Head Office. To manage this structure, it was critical to have a strong coordination function and regular review points. Furthermore to maximise results and VfM, SHARPE was heavily reliant on having an on the ground presence in each of the three regions (hubs). Hub staff spoke the local language and understood the context. This contextual understanding was key to designing and adapting interventions.

Recommendation: Ensure that programmes have a team presence in operating regions, staff should speak the language and be familiar with local customs. It is important that learnings and observations from regional teams are fully incorporated into central project offices to inform strategic decision making. MSD programmes in this context require particularly strong coordination capacity to ensure that teams in different locations can work effectively together.

- **Flexible funding models:** SHARPE was able to utilise different contracting models to work with a wide range of partners, from refugee micro businesses to regional and national companies. The ability to fund smaller partners directly and negotiate suitable due diligence processes with the donor was essential. The SHARPE regional teams were critical to facilitating this process, often supporting refugee micro businesses open bank accounts and obtain the correct documentation.

Recommendation: Programmes operating in a similar context need to develop mechanisms to fund both micro and larger scale business directly, requiring donor approval. Due diligence and vetting processes need to be made proportionate to the size of business, for example refugee micro business owners may not have all the usual documentation.

- **Invest practically:** In a humanitarian context, when options are limited, it is essential to work in areas that really make a difference to people's day to day lives. The sectors SHARPE focused on varied from the original donor business case but this was based on further analysis conducted by the team during implementation. SHARPE also conducted research to better understand the profiles of refugee business owners and the types of businesses that made a positive difference to their livelihoods. This informed the overall understanding of which sectors needed to be strengthened to improve the lives of marginalised refugee and host populations.

Recommendation: Identify sectors that meet the immediate needs of target populations. For example, in a refugee setting where food is limited, investing in sectors such as poultry offers the potential to improve household nutrition outcomes as well as increase household income.

- **Ex-post impact assessment:** To fully understand the impact of SHARPE, we would recommend conducting an ex-post impact assessment. This would determine whether the businesses supported by SHARPE were in fact sustainable (going beyond projections at closure) beyond the duration of the programme. Importantly, this study would also build the evidence based for future programmes.

Recommendation: Funding should be allocated from the outset to fund ex-post impact assessments of programmes generating valuable learnings for the sector. This would test whether the programme model is sustainable in the long term and therefore represents good value for money for donors.

8. Annex A - SHARPE Publications

SHARPE was designed as a learning programme, the following learning products were developed during the duration of the programme and are available on the SHARPE website.

Studies & Technical Briefs

- Applying the MSD Approach with Refugees and Host Communities
- Refugee Business in Ethiopia
- Refugee Business in Dollo Ado
- Refugee Business in Gambella
- Public Subsidy Report: Use of Financial Subsidies for the Private Sector in the context of Host and Refugee Communities
- Building Resilience and Enabling Adaptation to Climate Change for Host and Refugee Populations. An Assessment of SHARPE.
- SHARPE Review 2022
- Can Markets be Developed to Promote Economic Self-Reliance of Refugees? An Evaluation of the Promotion of Digital Financial Services in Ethiopia by SHARPE
- Understanding Resilience within the Context of SHARPE
- Technical Brief: Economic Integration for Host and Refugee Communities
- Going Beyond the Last Mile – Adaptation to Increase Refugee Adoption.

Blogs

- Bringing Together Host Communities, Refugees and the Private Sector in Ethiopia (Part 1)
- Making Markets Work for Refugees and Host Communities in Ethiopia (Part 2)
- Adapting MSD Programmes to Refugee Communities: Five Insights for Practitioners

Project Fact Sheets – Intervention Guides

- Developing the Solar Energy Market with Hosts and Refugees
- Economic Empowerment of Refugee Women through Small Business Development
- Investment in Quality Seeds Boosts Incomes for Host and Refugee Communities
- Bringing Agricultural Inputs Within Reach of Host and Refugee Communities in Gambella
- Establishing an Inclusive and Commercial Poultry Industry in Ethiopia's Gambella Region
- Digital Financial Services – A Step Towards Financial Inclusion for Refugees



9. Annex B –SHARPE Logframe



See attachment.



Website

Ethiopia–Strengthening Host and
Refugee Populations (SHARPE)
DAI: International Development

Contacts



Anne Brady Senior Programmer Manager,
anne_brady@dai.com

Muneeb Zulfiqar MEL Advisor,
mzulfiqar@opportunitiesunlimited.nl

Nandi Hall Project Director,
nandi_hall@dai.com