Delivering Resilient Enterprises and Market Systems

Impact Evaluation
Ethiopia Endline Report 1

May 2026

IDinsight

Delivering Resilient Enterprises and Market Systems - Ethiopia Endline 1 Report

May 2026

Authors
Jacob Gulinello: jacob.gulinello@idinsight.org
Kashif Ahmed: kashif.ahmed@idinsight.org
Young Mkandawire: young.mkandawire@idinsight.org
Jeffery McManus: jeffery.mcmanus@idinsight.org
Alison Connor: alison.connor@idinsight.org

Acknowledgements
We would like to thank Village Enterprise and Mercy Corps for their commitment to evidence-based programming, for co-designing and implementing the Delivering Resilient Enterprises and Market Systems (DREAMS) program, and for collaborating on this randomized controlled trial. Their joint effort to integrate the poverty graduation and market systems development models was essential to this evaluation.

Laterite, under the leadership of Addisalem Fikre, was an excellent collaborator and thought partner during data collection and field activities.

We would also like to thank the IKEA Foundation and the Conrad N. Hilton Foundation for their generous financial support for the DREAMS Impact Evaluation. Their timely funding and dedication to generating rigorous evidence on cost-effective livelihood interventions made this vital study on refugee and host communities possible.

Finally, we thank all of the men and women in the refugee and host communities of Dollo Ado who so generously shared their time and experiences with us during endline data collection, enabling the findings that are shared within.

About IDinsight

IDinsight uses data and evidence to help leaders combat poverty worldwide. Our collaborations deploy a large analytical toolkit to help clients design better policies, rigorously test what works, and use evidence to implement effectively at scale. We place special emphasis on using the right tool for the right question, and tailor our rigorous methods to the real-world constraints of decision-makers.

IDinsight works with governments, foundations, NGOs, multilaterals and businesses across Africa and Asia.

We work in all major sectors including health, education, agriculture, governance, digital ID, financial access, and sanitation.

We have offices in Dakar, Lusaka, Manila, Nairobi, New Delhi, and Rabat.

Visit www.IDinsight.org and follow on X @IDinsight to learn more.

Contents

EXECUTIVE SUMMARY 5
- Program Implementation and Participation 6
- Economic Outcomes 7
- Resilience, Financial Inclusion, and Well-Being 8
- Women Empowerment 8

1. INTRODUCTION 10
- 1.1 Motivation and Background 10
- 1.2 DREAMS Intervention in Ethiopia 10
- 1.3 DREAMS Theory of Change 14
- 1.4 Project Timeline 16
- 1.5 Project Context 16

2. METHODOLOGY 17
- 2.1 Primary Research Questions 17
- 2.2 Qualitative Study Objectives 18
- 2.3 Study Design 18
- 2.4 Data Collection 23
- 2.5 Data Analysis 26
- 2.6 Ethical Approvals 28

3. EVALUATION RESULTS 29
- 3.1 Household Demographics and Characteristics 29
- 3.2 Program Participation 31
- 3.3 Key Findings 50
- 3.4 Cohort-wise Effects 62

4. COST-EFFECTIVENESS ANALYSIS 64
- 4.1 Approach to cost-effectiveness analysis 64
- 4.2 Estimating benefits 65
- 4.3 Estimating costs 66
- 4.4 Cost-effectiveness estimates 67
- 4.5 Sensitivity Analysis 69
- 4.6 Comparisons to other livelihoods programs 71

5. DISCUSSION 73
- 5.1 Household Welfare and Well-Being 73
- 5.2 Comparing Poverty Graduation and Full DREAMS Outcomes 75
- 5.3 Ethiopia and Uganda: Endline 1 Comparison 76
- 5.4 Limitations of the study 78

6. CONCLUSION AND NEXT STEPS 80

REFERENCES 81

APPENDICES 83
- Appendix A: Additional Analyses 83
- Appendix B: Treatment-on-the-Treated 88
- Appendix C: Detailed Consumption & Asset Results 89
- Appendix D: Non-winsorized Outcomes 92

Acronyms

BCR	Benefit-Cost Ratio
BG	Business Group
BSG	Business Savings Group
CEA	Cost-Effectiveness Analysis
DREAMS	Delivering Resilient Enterprises and Market Systems
ESSSWA	Ethiopian Society of Sociologists, Social Workers, and Anthropologists
ETB	Ethiopian Birr
FD	Full DREAMS
FGD	Focus Group Discussion
GESI	Gender Equality and Social Inclusion
HFC	High Frequency Checks
HH	Household
HHS	Household Hunger Scale
IDI	In-Depth Interview
IEC	Information, Education, and Communication
IPA	Innovations for Poverty Action
ITT	Intention-to-Treat
MC	Mercy Corps
MFI	Microfinance Institution
MSD	Market Systems Development
PG	Poverty Graduation
PPI	Poverty Probability Index
PR	Progress Report
PSA	Private Sector Actor
RCT	Randomized Controlled Trial
SB	Small Business
SD	Standard Deviation
TOT	Treatment-on-the-Treated
UNHCR	United Nations High Commissioner for Refugees
USAID	United States Agency for International Development
USD	United States Dollar
VC	Value Chain
VE	Village Enterprise
WEAI	Women's Empowerment in Agriculture Index
WEE	Women's Economic Empowerment

©Village Enterprise. Ethiopia

EXECUTIVE SUMMARY

The Delivering Resilient Enterprises and Market Systems (DREAMS) project is a multi-year initiative jointly implemented by Mercy Corps and Village Enterprise. DREAMS provides an innovative solution to promote self-reliance among refugees and host community members in areas with people living in protracted displacement by equipping them with financial skills, seed capital, and business opportunities that enable self-sufficiency and strengthen livelihoods. This report focuses on the DREAMS program implemented in Dollo Ado, Ethiopia.

DREAMS integrates poverty graduation (PG) and market systems development (MSD) to build self-reliance among vulnerable households. The 12-month PG component, implemented by Village Enterprise, equipped 10,800 participants in Dollo Ado with the skills, seed capital, and mentoring needed to launch businesses. Concurrently, the MSD component, led by Mercy Corps, strengthened local market ecosystems around priority value chains, notably shoat (sheep and goat) fattening, poultry, crop production, and fodder production. DREAMS' core innovation lies in linking these approaches: the PG "push" makes participants market-ready, while the MSD "pull" connects them directly with Private Sector Actors (PSAs), such as input suppliers, local banks, veterinary clinics, and aggregators. These PSAs are meant to provide targeted training and input, and to act as reliable buyers, ensuring participants can successfully embed in local markets as profitable contributors.

This report describes the findings from the first endline of a rigorous impact evaluation of DREAMS in Ethiopia's Dollo Ado region, assessing its short- to medium-term outcomes. IDinsight designed and conducted a multi-arm, household-level randomized controlled trial (RCT) to estimate the causal impact of the poverty graduation model in the context of indirect market systems development, as well as the full DREAMS program, on household economic productivity and welfare, perceived well-being, social cohesion, and women's empowerment among refugee and host households. Eligible households across the study cohorts were randomly assigned with equal probability to one of three groups: the status quo (control group), the poverty graduation intervention (PG arm), or the complete intervention (full DREAMS or FD arm).[1] Participants in the PG arm joined business savings groups (BSGs) and business groups (BGs), received the full set of training on business selection, financial management, savings, and other business topics, and received seed capital in two tranches. Participants in the FD arm received all PG components, in addition to value chain–specific support, including smart subsidies related to the promoted value chains, targeted technical training, and direct linkages to PSAs operating within those value chains. The endline data were collected between October and December 2025, capturing outcomes approximately 6 months to 1.5 years after implementation. The final study sample consisted of 6,151 households (2,047 control, 2,054 PG, and 2,050 FD). Because indirect MSD activities operate at the community level, all study groups were exposed to its effects; the PG vs. control contrast captures the effect of PG in the context of indirect MSD, and the FD vs. PG contrast captures the incremental effect of adding direct market linkages.

1 Market systems development is a community-level intervention. Some aspects of MSD programming - including market assessments and support for private sector actors (PSAs) - are not directed at specific households or individuals but may strengthen markets and affect outcomes in entire communities. Therefore, given that MSD was being implemented across all communities where the evaluation took place, we cannot say that PG and control households were unexposed to the effects of MSD. However the "direct MSD" components, such as value chain training, vouchers for value chain-specific inputs, and linkages to PSAs, are targeted at individuals and can be randomized.

The first endline captured the following results:

Program Implementation and Participation

- **Almost all treatment participants joined BSGs (98% of Poverty Graduation and 99% of Full DREAMS households) and formed BGs (at least 90% of PG and 95% of FD).**[2] Nearly all treatment households received initial Small Business (SB) grants (99% across both arms) and follow-up Progress Report (PR) grants (98% of PG and 99% of FD).[3] Participation in training and mentoring was also widespread, with 94% of PG and 99% of FD households reporting attending at least one BSG training, primarily receiving guidance on identifying business opportunities and financial literacy. While overall participation rates were comparable between refugee and host communities, refugee households reported slightly higher rates of sustained engagement following graduation. For example, 84% of FD refugee respondents reported that they were still saving with their BSGs at Endline 1 compared to 74% of FD host respondents.
- **Nearly all Full DREAMS treatment households (96%) reported receiving at least one voucher.** Since FD households primarily engaged in shoat fattening, most vouchers they received were related to this activity. Among FD respondents who reported receiving a voucher, 76% received discounted veterinary services and 19% received discounted fodder, meaning 94% of all vouchers supported shoat fattening activities. In contrast, only a small proportion (4%) received seeds for crop-based value chains. Both refugee and host community households overwhelmingly favored livestock over crop production. This preference was driven by land-access constraints, the region's strong pastoralist background, and the perception of goats as resilient, non-perishable assets. Qualitative interviews suggest the vouchers functioned primarily as a cost-offsetting tool rather than an essential enabler of new business activity. Many Full DREAMS participants noted that without the vouchers, they would have used their seed grants or business profits to purchase the necessary medicines at full price, a pattern also observed among PG households who successfully procured these inputs without voucher support.
- **Most BGs started their business in the shoat fattening value chain, with minimal variation across PG and FD treatment arms.** 90% of PG and 94% of FD respondents reported shoat fattening as their BG's initial business activity. Engagement in land-intensive crop value chains remained low. Most BGs had only one business (95%) at Endline 1, indicating minimal diversification of income streams.
- **Shoat fattening remained the most popular value chain at Endline 1 across all evaluation arms.** While it was most common among treatment households (61% among PG households and 67% among FD households), 21% of control households reported that they were engaged in this sector at Endline 1.
- **Treatment households reported higher interaction rates with PSAs in shoat fattening, particularly among FD participants (19% PG vs. 40% FD vs. 5% control).**[4] **However, reported market behavior revealed minimal differences between PG and FD business activities.** Both groups reported sourcing inputs from veterinary providers at similar rates (40% PG vs. 48% FD) and sold their livestock to market traders in nearly identical proportions (25% PG vs. 26% FD). This convergence could potentially be explained by the structural features of thin rural markets in Dollo Ado: where providers and trading options are limited, households across arms might default to the same trusted actors regardless of whether the program brokered the linkage directly.

---

2 BG Participation rates were slightly higher than reported in our survey, according to program monitoring data, particularly for BGs (92% in our survey, 100% in monitoring data).

3 These grants were designed to provide a combined target value of approximately USD 500.

4 These figures likely underestimate actual contact, as 96% of FD respondents received a voucher, the redemption of which would require a PSA interaction.

Economic Outcomes

- **DREAMS had a positive, statistically significant[5] impact on household consumption across both the PG and FD treatment arms.** PG respondents reported an average monthly household consumption of USD 239, which was USD 22 higher than that of control households, a 10% difference. Similarly, FD households reported an average monthly household consumption of USD 237, USD 20 higher than the control, a 9% difference. The difference in household consumption between the PG and FD treatment arms was modest and not statistically significant. These results indicate that participants successfully translated program involvement into higher household consumption, aligning with the program's theory of change, and sustained that impact up to 1.5 years following the end of the PG component.
- **DREAMS had a positive and statistically significant impact on total household asset ownership.** PG and FD households reported average total asset values that were USD 225 (25%) and USD 215 (24%) higher than those of control households, respectively. In absolute terms, asset growth was more than three times as large for host community households as for refugee households (USD 443 for PG and USD 476 for FD host households, compared to USD 141 for PG and USD 124 for FD refugee households). This divergence was driven by host households' substantially higher baseline asset levels, which enabled them to leverage program grants alongside existing complementary assets, thereby multiplying their absolute gains. However, because refugee households started with far less wealth, the grants represented a much larger proportional increase to their existing finances; consequently, the relative treatment effect for refugees (39% for PG and 34% for FD) was nearly twice as large as for host communities (20% for PG and 21% for FD). While overall household asset growth was comparable between the two treatment arms, FD households accumulated, on average, USD 19 (17%) more in business-specific assets than PG households.
- **DREAMS had a positive and statistically significant impact on household income.** PG households reported on average USD 6 more in total monthly income than control households, representing a 14% difference. FD households reported on average USD 7 more in total monthly income than control households, a 17% difference. As with consumption and household assets, there were no statistically significant differences between PG and FD treatment arms. Income growth was primarily driven by gains in livestock activity, consistent with the strong uptake seen in the shoat fattening value chain.
- **The DREAMS program led to a positive, statistically significant increase in total household savings.** PG households reported, on average, USD 18 more in accumulated savings than control households, representing a 92% difference. Similarly, FD households reported USD 17 more than the control group, a 91% difference. These substantial gains indicate that both PG and FD households have nearly doubled their financial buffers.
- **The DREAMS program had a positive, though modest, statistically significant impact on food security, reflected in gains in household consumption.** As evidenced by PG and FD households scoring 0.34 and 0.41 points lower on the Household Hunger Scale (HHS), respectively, these groups were 6 and 7 percentage points less likely to experience moderate or severe food insecurity than the control group (32%). Consistent with overall consumption gains, both treatment arms achieved similar improvements, with no statistically significant difference between the PG and FD groups.

5 We used p-value < 0.05 as the definition of statistically significant. Statistically significant differences are not necessarily large magnitudes; some differences that we find between treatment and control are modest yet statistically significant due to the large sample size.

Resilience, Financial Inclusion, and Well-Being

- **The DREAMS program had a statistically significant and positive effect on household resilience to economic shocks.** Overall, households in the PG and FD treatment arms were statistically significantly less likely to report experiencing a shock in the previous year compared to the control group (48%), with reductions of 4 percentage points for PG and 5 percentage points for FD. Treatment households were statistically significantly more likely to express confidence in their ability to cope with future shocks (+4 pp for PG and +3 pp for FD, compared with 15% of control respondents) and were actively making adaptations to do so. The most common adaptation strategy reported was increasing financial savings (13% for both PG and FD respondents).
- **The DREAMS program had a modest but positive and statistically significant impact on households' use of financial services, including mobile money and formal banking.** Mobile money was the most common financial tool used across all treatment groups, with usage rising from 68% for control respondents to 73% among PG and FD respondents. Uptake of formal banking remained low (11% for PG, 9% for FD, 7% control), reflecting challenges such as a lack of collateral, weak cash flow, and some community mistrust in formal banking institutions.
- **DREAMS had a modest but statistically significant impact on well-being.** PG respondents scored, on average, 0.20 points higher than the control group on the 1-10 point index, equivalent to a 2% increase. FD respondents scored on average 0.29 points higher than the control group, equivalent to a 3% increase. The 0.09-point difference between FD and PG respondents is statistically significant. The mechanism driving this FD-PG gap is not fully explained by the available data and warrants further investigation at Endline 2.
- **The DREAMS program had minimal or no effects on the reported relationships between refugees and host community members, likely because baseline social cohesion was already high.** Across all treatment arms, 98% of refugee respondents and 99% of host households reported having good relationships with one another. Qualitative interviews reinforced these positive relationships, with respondents frequently describing their interactions with host and refugee communities as "good," "peaceful," and "brotherly." Participants highlighted deep social integration, intermarriage, and shared cultural and religious values as the foundation of these strong ties.

Women Empowerment

- **The DREAMS program had a statistically significant but modest impact on women's economic empowerment.** Relative to the control group mean of 0.26 on a 0-to-1 empowerment index, female PG and FD respondents scored 0.03 and 0.04 points higher, respectively. This represents a difference of 12% for PG and 15% for FD. These gains were primarily driven by significant improvements in economic decision-making, access to financial services, and the number of activities in which women participate.

Across most key welfare indicators, including monthly consumption, household assets, income, savings, and food security, there were no statistically significant differences between the PG and FD treatment arms. Both groups primarily engaged in the shoat fattening value chain at nearly identical rates with their BGs (90% PG, 94% FD). This suggests that the core poverty graduation package, combined with shared exposure to indirect MSD, was sufficient to encourage households to engage in new business activities within a key value chain and improved their household welfare. The hypothesized additional benefit from direct market linkages provided to FD households did not yield a measurable additive impact on short- to medium-term welfare indicators relative to PG households, though PG households may also have benefited from informal spillovers of market actor engagement and demonstration effects.

However, FD did produce advantages in specific domains. First, FD households held, on average, USD 19 (17%) more in business assets than PG households (who held approximately USD 113 in business assets), and FD respondents reported a slightly higher, statistically significant difference in well-being (+0.06 SD). Second, FD respondents reported a slightly higher, statistically significant difference in well-being (+0.06 SD), though the mechanism driving this gap is not fully explained by the available data and warrants further investigation at Endline 2.

These results tell a consistent story: the combination of poverty graduation with community-level indirect MSD (the shared exposure across both treatment arms) produced meaningful improvements in household welfare relative to control. The RCT was additionally designed to test whether adding direct market linkages (vouchers, brokered PSA linkages, value chain–specific training) on top of this combined package produced further gains. On welfare outcomes, the short- to medium-term additive effect of these direct linkages was minimal, for a few key reasons:

- **Role of vouchers:** Vouchers primarily functioned as a cost-saving mechanism, rather than a behavioral nudge. During qualitative interviews, FD respondents noted that they would have used their seed grants or business profits to purchase the necessary inputs regardless of whether they received the vouchers. This was confirmed by the behavior of qualitative PG respondents, who reported purchasing these same inputs at full price without any voucher support. Consequently, the voucher reduced operational costs for FD households rather than nudging them into different value chains or business practices, potentially making their role in the program complementary rather than central.
- **Limited Additive Impact of Direct Market Linkages:** The short- to medium-term additive effect of direct market linkages in Ethiopia appears to have been limited because the primary barriers to entering the shoat fattening value chain may not have been the specific market linkage constraints targeted through Full DREAMS. Many participants already had familiarity with shoat fattening and were generally able to connect themselves to suppliers and buyers without intensive direct market facilitation. As a result, both PG and FD households engaged in the value chain at similarly high rates (90% and 94%, respectively). This suggests that the core poverty graduation package, implemented alongside broader market systems development activities, was sufficient to support participation in the value chain in the short term. Because indirect MSD activities were implemented at the community level, control households were also exposed to broader market system improvements as a shared exposure. However, control households did not receive the seed capital, training, mentorship, and business group support provided through DREAMS, and uptake of shoat fattening remained substantially lower among this group. Endline 2 will further examine the extent of these broader community-level effects, including PSA client growth and changes in local input availability.

Taken together, the evaluation findings indicate that DREAMS has meaningfully improved short- to medium-term economic and well-being outcomes for both refugee and host communities in Dollo Ado, Ethiopia. A key implication is that the combination of poverty graduation with community-level (indirect) MSD appears sufficient, at this stage, to produce meaningful economic gains. Direct market linkages generated only limited additional short-to-medium-term welfare impact beyond this combined package, though they did produce narrower gains in business-asset accumulation and perceived well-being. By combining group-based entrepreneurship, financial inclusion, capital grants, and deliberate but flexible market systems development, DREAMS provides a powerful model for empowering vulnerable refugee and host households.

1. INTRODUCTION

1.1 Motivation and Background

Ethiopia is estimated to host 1.1 million registered refugees and asylum-seekers as well as 1.9 million internally displaced persons (UNHCR, 2026). Many of these people will remain in Ethiopia in the long-term, given the protracted nature of today's conflicts. Such refugees need not only short-term humanitarian assistance but also long-term solutions that help them rebuild their lives. The humanitarian system that was initially designed to provide urgent life-saving assistance in response to short-term displacement has struggled to find durable solutions for the 76% of refugees living in protracted displacement globally (UNHCR, 2021). Refugees are instead trapped in limbo - their skills, dreams, and aspirations on hold as they struggle to simply earn a living and provide for their families.

Village Enterprise and Mercy Corps designed the Delivering Resilient Enterprises and Market Systems (DREAMS) project as a sustainable, long-term model to improve livelihoods by advancing refugee self-reliance through an innovative, dual-pronged approach. DREAMS combines two models: poverty graduation and market systems development, designed to strengthen local business activity and improve economic livelihoods. The innovation of DREAMS lies in deliberately integrating these approaches, providing a "push" to help vulnerable refugee and host households become market-ready, alongside a "pull" from strengthened market systems to ensure they can participate as profitable contributors.

IDinsight conducted a rigorous randomized evaluation of DREAMS in Dollo Ado, Ethiopia, to assess its impact on household economic productivity and welfare, perceived well-being, social cohesion, and women's empowerment among refugee and host households. This report presents findings from the first endline, conducted from October to December 2025, with data collected by Laterite, capturing the program's short- to medium-term outcomes approximately 6 months to 1.5 years after program completion. A second endline, to be conducted one year later, will examine longer-term effects.

Findings from this report aim to inform program implementation, improve future programming, and contribute evidence to humanitarian organizations that are considering how best to meet the needs of refugees and host communities. DREAMS was also implemented in Uganda, with a separate evaluation to test the model's impact in a different context. Results from the first endline for DREAMS in Uganda were made available in March 2026.[6]

1.2 DREAMS Intervention in Ethiopia

DREAMS integrates two complementary components: 1) **poverty graduation (PG)**, which equips vulnerable households with the skills, seed capital, and mentoring needed to start and sustain businesses, implemented by Village Enterprise, and 2) **market systems development (MSD)**, which strengthens the broader market ecosystem to create lasting opportunities for refugee and host-led enterprises, implemented by Mercy Corps.

6 The full results from DREAMS Uganda Endline 1 can be found on our website.

1.2.1 Key Stakeholders

Village Enterprise is a nonprofit organization dedicated to ending extreme poverty in rural Africa through entrepreneurship and innovation. Established in 1987, the organization empowers individuals living in extreme poverty, particularly women and other vulnerable groups, to start sustainable small businesses and improve their livelihoods. Using a poverty graduation model that combines business and financial literacy training, seed capital grants, mentorship, and community savings groups, Village Enterprise supports participants to build resilience, increase household income, and achieve long-term economic stability.

Mercy Corps is a global nonprofit organization committed to alleviating suffering, poverty, and oppression by helping people build secure, productive, and just communities. Since its founding in 1979, Mercy Corps has been at the forefront of humanitarian efforts, working alongside communities to provide rapid relief in the wake of disaster, manage the effects of conflict and climate change, and create lasting solutions for a future where everyone can thrive. Through its market systems development programs, Mercy Corps strengthens local economies by supporting small businesses, facilitating access to markets, and creating sustainable livelihood opportunities for vulnerable populations.

IDinsight is a global nonprofit organization dedicated to improving lives through data, evidence, and rigorous evaluation. Since its founding in 2010, IDinsight has partnered with governments, foundations, and social enterprises across Africa and Asia to design, evaluate, and scale programs that address critical development challenges. By tailoring advanced data analytics, randomized evaluations, and a broad data and evidence toolkit to context-specific needs, IDinsight helps policymakers and implementers make informed decisions, optimize resources, and achieve measurable and sustainable impact.

Laterite is a research firm that specialises in social impact research across East and West Africa as well as Peru. The firm provides data collection, research, and analytics services for the agriculture, education, gender, livelihoods, and public health sectors. Their previous projects include the design and implementation of impact evaluations, data collection surveys, qualitative research through interviews and focus groups, and landscape analysis.

1.2.2 Poverty Graduation

The poverty graduation component supports vulnerable households through a structured, 12-month program delivered by locally recruited Business Mentors. The program consists of five elements:

1. **Targeting:** Village Enterprise conducts household-level data collection to identify households living in extreme poverty through proxy means testing and invites them to participate in the program, ensuring support reaches those most in need. Each household selects a Business Owner to represent the household and participate in subsequent activities.
2. **Business Savings Groups (BSGs):** Participants form savings groups of approximately 30 members, which serve as a local platform for pooling savings, providing small loans, and fostering collective financial management skills.
3. **Training:** Business Mentors provide training on group savings, loan management, and the establishment and operation of successful microenterprises. Training follows a set curriculum across 9 modules, but is tailored to the specific needs and capacities of the participants.
4. **Seed Capital:** Within each 30-person business savings group, participants form Business Groups (BGs) of three members. After formation, each Business Group receives an initial “Small Business” (SB) grant as seed capital to start their enterprise, followed about six months later by a smaller “Progress Report” (PR) grant if the business is still operating. These funds are intended to launch and strengthen income-generating activities. BGs are encouraged to pursue viable business

opportunities, apply their training, and diversify income streams to increase household resilience. The program designs these grants to maintain a total value of approximately United States Dollar (USD) 500. Due to fluctuations in the value of the Ethiopian Birr (ETB), the ETB value of the two grants changed over time to reflect this target. For Cohort 1, the grants totalled ETB 27,100. For Cohorts 2 and 3, the total was ETB 35,600. From Cohort 4 onward, the total grant value was ETB 52,500[7].

5. **Mentoring:** Business Mentors provide continuous support at both the BSG and BG levels throughout the program.
6. **Additional Gender Integration Activities:** Gender integration in DREAMS Ethiopia was led primarily by Mercy Corps (described in Section 1.2.3), with VE participating jointly in cross-consortium gender activities, including a Training of Trainers on basic Gender Equality and Social Inclusion (GESI) and women's leadership conducted in Dollo Ado in Year 3, which brought together VE staff, MC staff, and Woreda Women and Children Affairs Office representatives. This joint capacity-building was intended to strengthen gender-responsive programming across both poverty graduation and market systems development components.

This poverty graduation approach is designed to build household resilience, increase income-generating capacity, and equip participants with the skills and resources to manage multiple income streams sustainably.

1.2.3 Market Systems Development

The MSD component strengthens the broader market ecosystem, enabling refugee- and host-led enterprises to grow sustainably. MSD interventions include indirect market facilitation, in which medium-to-large enterprises are identified and supported to expand their engagement with refugee and host communities, and direct market facilitation mechanisms such as time-bound co-investments, value chain input vouchers, designed to catalyze initial market participation among vulnerable households.

Mercy Corps plays a critical role in connecting Business Mentors and their mentees with private sector actors (PSAs), including suppliers, buyers, and PSAs that support value chains, such as veterinarians. These linkages helped PSAs enter refugee and host communities where they were not already operating and provide participants with quality inputs and value chain-specific training, ensuring that small businesses can access fair markets, sell their outputs at reasonable prices, and scale operations over time. As refugee and host households build stronger market linkages and the overall market system becomes more robust and inclusive, additional businesses are expected to "crowd in," providing more goods and services, fostering dynamic markets, and supporting sustainable economic growth even after the project ends.

Indirect MSD activities were designed to operate at the market and community level rather than being targeted to individual households, meaning their effects reached PG and control households alongside FD participants by design.[8] Four sets of activities were implemented:

I. **Market systems assessments.** An initial assessment in May 2022 screened approximately 25 sectors and shortlisted eight priority value chains for the program: shoat trade, animal health, feed and fodder, dairy, poultry, agricultural inputs (seeds and pesticides), sesame processing, and financial services. A second rapid assessment in 2025 reviewed 13 sub-sectors mid-

7 The evaluation included Cohorts 2-4.

8 However, a key assumption of the study design was that the control households would not be able to fully take advantage of indirect MSD given that they are among the most vulnerable members of the community; instead, the assumption was that the components of PG and direct MSD were necessary to unlock the benefits of indirect MSD.

implementation to test progress and refine priorities for scale.

II. **Cost-share grants to PSAs.** Twelve PSAs received cost-share grants over the program period, totalling approximately USD 179,334. Individual grants ranged from USD 1,300 to USD 35,609 and supported activities including agrovet expansion, veterinary service delivery, poultry production, fodder, and financial services.

III. **Open market expos and awareness-raising.** Fifty-seven events were conducted over the project, structured as inclusive multi-stakeholder platforms bringing together refugee and host community business groups, farmers, agropastoralists, PSAs, and local authorities (kebele leaders, government representatives, Refugees & Returnee Services). Individual events drew several hundred participants (approximately 640 at market forums and 715 at community dialogues).

IV. **Community-level diffusion.** PSA outreach (e.g., veterinary pharmacies) reached substantial numbers of community households, with around 60%of beneficiaries reached via decentralised agents, ensuring that supply-side improvements diffused beyond direct program participants.

At the beginning of the DREAMS program, Mercy Corps commissioned a market assessment in Dollo Ado, Ethiopia, to identify high-potential value chains where low-income households faced barriers to participation. The assessment initially highlighted several key investment opportunities, including shoat (sheep or goat) fattening and trading, animal health, feed and fodder production, poultry, milk production, agricultural inputs, sesame processing, and financial services. Mercy Corps refined this list, and the final suggested value chains for program participants included shoat fattening, fodder production and retail, bakeries, poultry production, and crop production (sesame, watermelon, maize, and pepper). While BGs were free to start any type of business, they were encouraged to pursue activities within these value chains and to diversify their income by operating multiple businesses.

The DREAMS program utilized smart subsidies to de-risk enterprise experimentation and incentivize participants to access new markets. These subsidies were delivered through a discount voucher system that reduced the cost of key value chain inputs, such as veterinary medicines, fodder, and agricultural tools and seeds. By lowering barriers to entry, the vouchers aimed to support business start-up and productivity, while also strengthening commercial linkages between participants and PSAs.

Mercy Corps integrated Gender Equality and Social Inclusion (GESI) programming into DREAMS Ethiopia through a set of complementary activities under the program's Gender Action Plan, aimed at addressing restrictive gender norms around women's leadership, decision-making, and economic participation. Activities included a Training of Trainers on GESI and women's leadership for MC, VE, and Woreda Women and Children Affairs Office staff; community gender dialogues and round-table discussions with religious and community leaders; safeguarding training for private sector actors; monthly discussions with BSG and BG leaders on shared decision-making; couples training; awareness-raising at international events; and Somali-language GESI messaging materials. A Community Accountability and Reporting Mechanism (CARM) was also established to capture participant feedback on gender and other concerns.

1.2.4 Linking PG and MSD

DREAMS is more than implementing PG and MSD in parallel in the same communities. The innovation of DREAMS lies in the intentional and explicit linkages between the two interventions embedded in the program design. These linkages operate across the full implementation cycle: Mercy Corps' market assessments and support planning are tailored to the specific opportunities and constraints of the DREAMS target population; co-creation with PSAs prioritizes engagement with DREAMS participants; and structured introductions connect BSG members with PSAs and financial institutions. To the extent

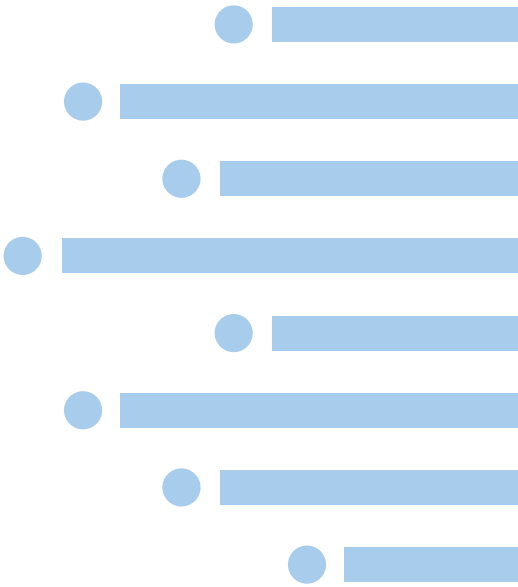
possible, PSAs were requested to target training, input vouchers, and other targeted activities to DREAMS participants only, though they were not restricted from interacting with non-DREAMS participants.[9]

As cohorts progress, PSAs deliver inputs and training to DREAMS participants. Value chain–specific mentoring is integrated into the PG curriculum for both arms, but targeted vouchers, aligned with the distribution of the SB grant to enable input purchases, were provided to the Full DREAMS arm only Targeted training, bulking, and facilitated sales to PSAs at the BSG level further reinforce these linkages.

DREAMS linked BGs to PSAs operating within priority sectors. These partnerships included the financial service provider, Shebelle Bank, as well as local agro-input suppliers, fodder producers, goat aggregators, and veterinary service providers. These connections aimed to strengthen market linkages and create long-term opportunities for growth. PSAs were intended to serve as sources of technical training and as potential buyers of goods produced by BGs, helping to embed participants within local market systems.

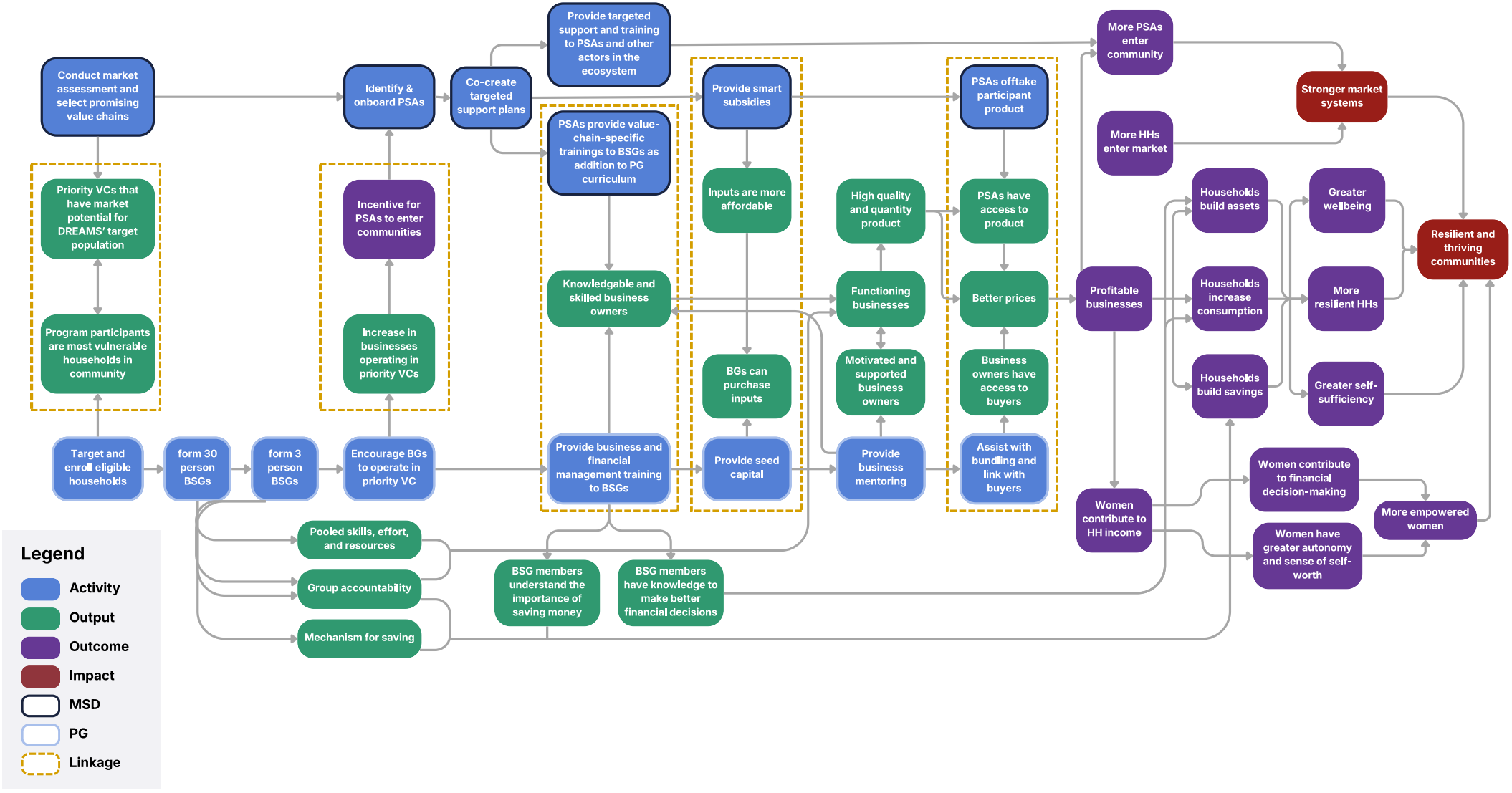
1.3 DREAMS Theory of Change

By integrating PG and MSD, DREAMS seeks to enhance refugee and host participation in business and market enterprise, leading to improved livelihoods. The DREAMS theory of change posits that PG and MSD operate jointly to enable sustainable livelihoods. PG equips households with support structures, skills, and seed capital to initiate businesses, while MSD strengthens the markets in which those businesses operate. Intentional linkages between PG and MSD create a reinforcing "push–pull" dynamic: PG support mechanisms (e.g., business mentors) encourage households to enter priority value chains, increasing producer participation, while the resulting growth in supply incentivizes PSAs to invest in those value chains and increase demand for household production in these geographies. Concurrently, PG structures facilitate value chain–specific training and enable aggregation and bundling once participants are market-ready, improving market access and returns. Figure 1 summarizes the DREAMS Theory of Change.



9 This request was intended to try to mitigate contamination with PG and control households to preserve internal validity of the RCT; outside of an RCT context, an MSD program would typically encourage PSAs to target outreach, training, and marketing toward a broader set of community members, including non-enrolled households. Within the RCT, the request was likely strongest where PSAs had limited inputs. In those cases, it would benefit the program if PSAs prioritized DREAMS participants for those inputs.

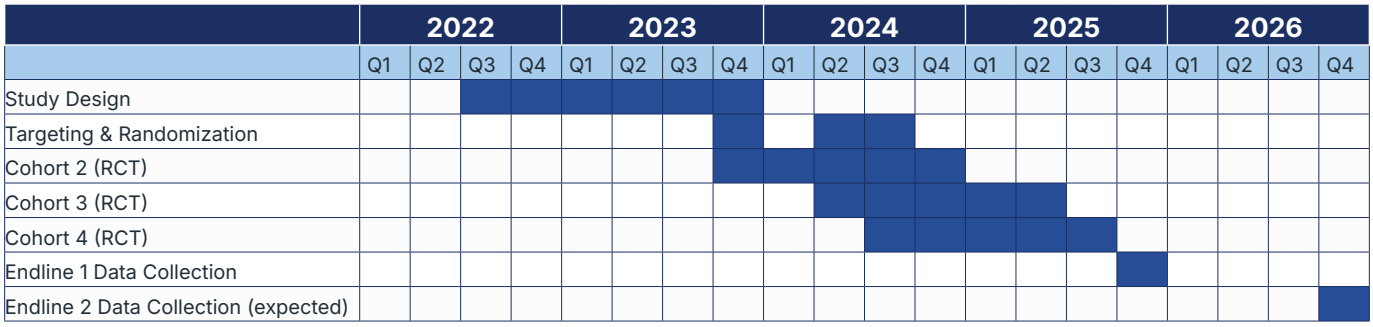
Figure 1: Summarized DREAMS Theory of Change



1.4 Project Timeline

The DREAMS program, designed for a total of six cohorts, was staggered over multiple years, with each cohort starting three months after the previous one. Cohort 1 served as a 'learning cohort' to allow Village Enterprise and Mercy Corps to pilot the integrated poverty graduation and MSD models and refine implementation protocols before the external evaluation commenced. Cohorts 5 and 6 were not included in the quantitative RCT evaluation, as the required sample size of 7,200 households was achieved across the earlier evaluation cohorts, and findings were needed as soon as rigour was achieved.[10] Figure 2 shows the timeline of targeting, randomization, programming, and data collection for evaluation cohorts 2-4.

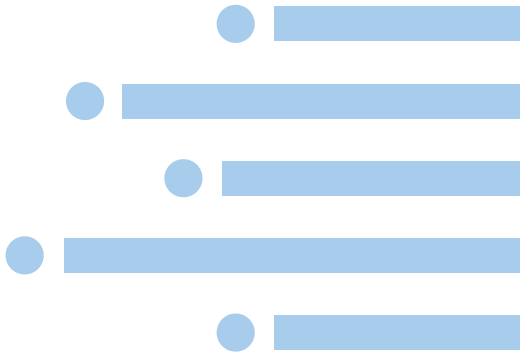
Figure 2: DREAMS Ethiopia RCT Timeline



1.5 Project Context

The DREAMS program operates within a challenging macroeconomic and environmental landscape in Ethiopia. In July 2024, the National Bank of Ethiopia transitioned from a fixed-rate to a market-based exchange-rate system (NBE, 2024). Following this policy shift, the Ethiopian Birr quickly depreciated against the dollar, moving from approximately ETB 58 per USD 1 in July 2024 to ETB 110 per USD 1 by August 2024 and to ETB 150 per USD 1 over the following year.[11] This depreciation led to inflation in imported business inputs and household staples, increasing the cost of living for DREAMS participants.

Parallel to these economic shifts, the region is experiencing a continuing drought that intensified in 2023 following several consecutive failed rainy seasons. This period resulted in significant livestock losses and the erosion of household assets (ReliefWeb, n.d.). Erratic rainfall and dry conditions have persisted through 2025 and into 2026. These ongoing environmental shocks impact the viability of agricultural and livestock-based enterprises, including those of DREAMS participants.



10 The original evaluation design included nine cohorts, four of which were designated as study cohorts. Due to programming delays, the implementation schedule was revised to consolidate participants into fewer, larger cohorts. The total number of program and evaluation participants remained unchanged.

11 USD to ETB Exchange Rate History for 2024

2. METHODOLOGY

2.1 Primary Research Questions

Our evaluation of the DREAMS program in Dollo Ado, Ethiopia, employs a mixed-methods approach, combining a quantitative randomized controlled trial (RCT) with a complementary qualitative study and a cost-effectiveness analysis. This multi-faceted design aims to provide a holistic examination of the program's impact, capturing both the causal effects on economic welfare and the mechanisms driving those changes.

The quantitative impact evaluation seeks to answer the following primary research questions:

1. What is the impact of DREAMS (poverty graduation + indirect MSD + direct market support) on livelihoods, social cohesion, and perceived well-being of refugee and host community households in Dollo Ado, Ethiopia?
2. What is the impact of a poverty graduation approach, without direct market linkages, in the context of refugee and host communities receiving indirect MSD in Ethiopia?[12]
3. What is the cost-effectiveness of DREAMS and of poverty graduation without direct market linkages?

Note that because the indirect MSD activities described above operated at the community and market level rather than targeting individual households, control, PG, and FD households were all exposed to them. The PG vs. control contrast therefore captures the effect of poverty graduation on top of indirect MSD, and the FD vs. PG contrast isolates the incremental effect of adding direct market linkages on top of that combined package. We are not able to isolate the impact of indirect MSD, nor assess whether the effects of indirect MSD are similar or different across the study arms.

In addition, the evaluation seeks to answer the following secondary research question:

1. Does linking direct MSD to poverty graduation result in better outcomes than poverty graduation without direct market linkages?

This research question is considered secondary because we do not have sufficient power to detect small differences between the two treatment arms. However, we believe that it is valuable to examine where direct market linkages did and did not lead to large differences in endline outcomes, particularly as we consider the cost-effectiveness of each program variant.

These research questions and the methodology described below were preregistered with the American Economic Association's RCT registry, ID AEARCTR-0017102 (Ahmed et al., 2025).

We are concurrently conducting an RCT of a related DREAMS program implemented in refugee and host communities in Uganda's West Nile region. This related RCT differs from the current one in both context and design: in Uganda, we have only one treatment arm (DREAMS with direct and indirect market linkages) rather than two. We reported early results from the year 1 endline for the DREAMS Uganda RCT here.

12 Because poverty graduation is implemented in communities that are also receiving indirect MSD interventions, we cannot fully disentangle the impact of poverty graduation from any MSD.

2.2 Qualitative Study Objectives

An in-depth qualitative study complemented the quantitative RCT to develop a richer understanding of the target population's needs and help answer the "how" and "why" underlying the effects observed in the impact evaluation.

The primary objectives of the qualitative study were to:

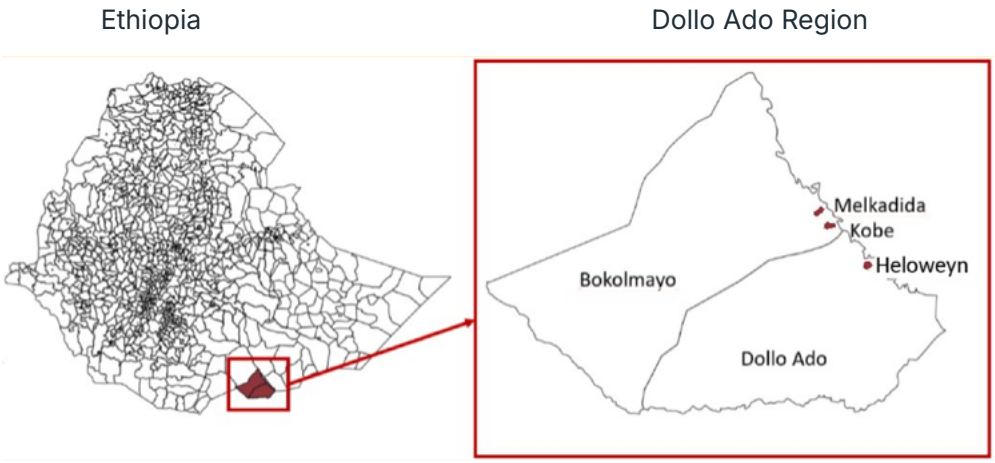
- **Provide context for the quantitative results:** Explore how and for which subgroups the program did or did not achieve impact, understand differences in participant experiences, and determine whether control households or graduation-only households were affected by or benefited from program activities (spillovers).
- **Explore perceptions of systematic change in communities:** Investigate perceived shifts in formal and informal relationships between beneficiary households and private sector market actors, assess the perceived prevalence of new businesses, and understand the enablers and barriers affecting the ability of Full DREAMS, poverty graduation-only, and control households to access business inputs.
- **Examine gender dynamics:** Understand how gender interacts with program participation, including participation in different DREAMS activities and in specific value chains, and how gender shapes participants' experiences of the program and its outcomes.

2.3 Study Design

2.3.1 Quantitative Design

The DREAMS program was implemented in Heloweyn, Melkadida, and Kobe camps and in surrounding host communities in Dollo Ado, Ethiopia. Figure 3 shows the location of the camps within Ethiopia.

Figure 3: DREAMS Ethiopia Project and Evaluation Locations



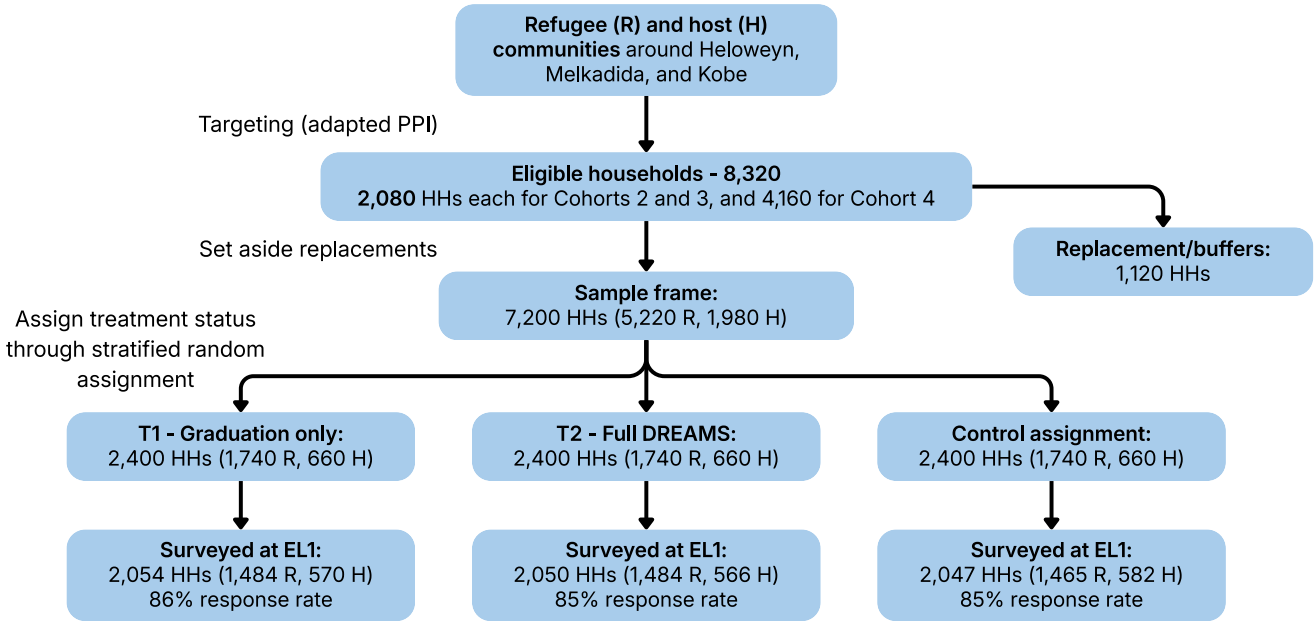
Study areas were selected from within these camps following mapping exercises to identify villages less likely to have, or to be in line to, receive alternative livelihood and MSD interventions before or during the DREAMS study timeline. DREAMS was implemented in both refugee and host community areas, with 70% of DREAMS households from refugee communities and 30% of households from host communities. The poverty graduation component of the DREAMS program included six cohorts, each with varying numbers of households, for a total of 10,800 households. Each cohort started three months after the previous one. The first cohort was a "learning cohort" that allowed Village Enterprise and Mercy Corps to pilot the program. The RCT was conducted with cohorts 2-4.

Randomization

For each cohort, Village Enterprise implemented a short targeting survey based on the Poverty Probability Index (PPI) for Ethiopia as part of its standard programming. This data was used to identify the 104 most vulnerable households[13] per area (refugee zone or host kebele).[14] Some zones or kebeles were combined if fewer than 104 eligible households were identified. Village Enterprise conducted this targeting in 20 areas per cohort (14 refugee and 6 host communities) and shared the data with IDinsight.

For each study cohort, IDinsight set aside 14 households as buffers or replacements,[15] and then randomly assigned 90 households per area to the DREAMS treatment arm, the poverty graduation-only treatment arm, or the control arm (30 households per arm). We ensured that households within a polygamous family were clustered such that they were not assigned to different treatment arms. We stratified by available data (area, existing involvement in value chains, and PPI scores) to maximize balance across treatment arms. Figure 4 summarizes the randomization design.

Figure 4: DREAMS Ethiopia Randomization Design



13 For the purposes of this study, a household is defined as all individuals who have shared meals from a common pot for at least six months prior to the survey.

14 For Cohort 4, 208 eligible households were identified in each of the 20 areas. All of the subsequent numbers were doubled, and DREAMS managed two BSGs per treatment arm in each area, rather than one BSG per treatment arm. The reason for the larger size of Cohort 4 was to make up time given earlier delays in the start of program implementation. The eligibility criteria for households in this cohort was unchanged from the previous cohorts.

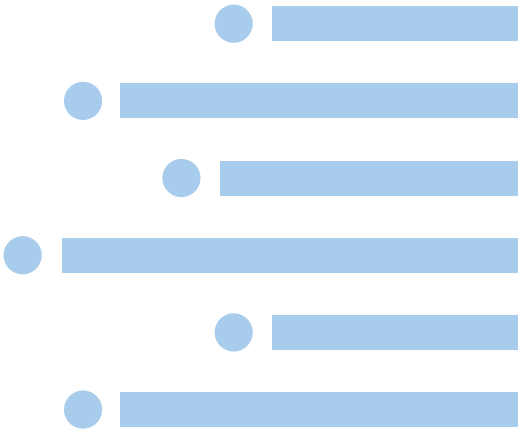
15 Buffer households were intended to minimize the number of households who derived their main income from a priority value chain at baseline, in order to reduce the possibilities of spillovers. Therefore, we oversampled the number of eligible households, divided them into those that were already deriving their main income from a priority value chain and those who were not. We then randomly selected eight households who worked in priority value chains (milk, poultry, and shoat) to be excluded from the main program sample. In addition to these, six households per area were randomly selected as replacement households for Village Enterprise to invite to participate in poverty graduation, in case initially-sampled households declined. Our study sample was only drawn from initially-sampled households to mitigate selection bias. In any case, Village Enterprise only replaced 9 out of the 4,800 (<1%) initially-sampled households.

Differences Between the Treatment Arms

A key feature of this randomization design is the distinction between the Full DREAMS treatment arm and the Poverty Graduation treatment arm. These two treatment arms allowed us to disentangle the effect of direct market linkages from other activities in the DREAMS program. Specifically, the two treatment arms in our RCT were designed to differ in several ways[16]:

- **Business types:** Business groups in the Full DREAMS treatment arm were strongly encouraged (though not required) to start their first business in one of the priority value chains with direct MSD linkage support, whereas business groups in the graduation-only treatment arm were not directly encouraged to start a business in any particular value chain.
- **Vouchers:** Vouchers were issued as printed, redeemable coupons distributed by VE and Mercy Corps staff to FD business groups at key intervention points across the program calendar. Over the program period, approximately 800 cost-shared vouchers were distributed across FD groups, with a total face value of approximately USD 241,400. Cost-share levels varied by intervention rather than being uniformly fixed at 30%. For example, in the shoat fattening value chain, FD groups paid approximately 10% of fodder costs, with the voucher covering the remainder. BGs presented vouchers at pre-identified PSAs (veterinary pharmacies, agro-input suppliers, fodder providers, poultry breeders, financial institutions); PSAs were reimbursed through the program after redemption was tracked via supplier records and follow-up monitoring.
- **PSA linkages:** Private sector actors were identified through market systems analysis and selected via both competitive and non-competitive processes within priority value chains. BG-PSA linkages were facilitated through formal introductions at training sessions and structured platforms such as business strengthening and market linkage forums. Engagement was sustained rather than one-off, with relationships often renewed annually based on performance and reinforced by ongoing monitoring and contact through local agents and extension staff.
- **Trainings:** Government extension agents provided DREAMS participants with training on starting, maintaining, and growing businesses in priority value chains. This was in addition to the general business and financial training provided as a component of PG.
- **Targeting of other MSD interventions:** To the extent possible, Mercy Corps limited the targeting and sensitization of other value chain-specific interventions to full DREAMS participants.

Table 1 shows the full difference between treatment arms.



16 This section describes the intended differences between the two treatment arms by design. The results section explores the extent to which implementation remained true to this design.

Table 1: Differences Between Treatment Arms

Activity	Treatment arm	
	Poverty Graduation Only	DREAMS
Targeting	✓	✓
Financial literacy and business skills training	✓	✓
Tailored coaching by a Village Enterprise business mentor	✓	✓
Value chain-specific training by private sector actors		✓
Seed capital	✓	✓
Mentoring	✓	✓
Savings groups	✓	✓
Indirect market systems development[17]		
Market assessment	✓	✓
Cost share grants to private sector actors to incentivize market participation	✓	✓
Open market expos and awareness raising of private sector actors in markets	✓	✓
Direct market systems development		
Market linkages between entrepreneurs and private sector actors		✓
Linkages between entrepreneurs and financial service providers		✓
Vouchers for entrepreneurs to access specific value chains		✓

Sample Size Calculations

Our evaluation included all 1,800 eligible households (after removing buffers and replacements) from cohort 2, 1,800 households from 3, and 3,600 households from cohort 4, for a total of 7,200 households (randomly assigned to 2,400 DREAMS, 2,400 poverty graduation-only, and 2,400 control). The evaluation sample followed the same split as program implementation: 70% refugee households and 30% host community households. We attempted to survey all 7,200 households at Endline 1. We considered a decision-relevant effect size to be 0.08-0.1 SD for household consumption. With this sample size, assuming 15% attrition, we expected to be able to detect effect sizes less than 0.10 SD in the full sample, effect sizes around 0.10 SD in the refugee sub-sample, and effect sizes around 0.15 SD in the host sub-sample.

2.3.2 Overview of Outcome Domains and Their Corresponding Indicators

The evaluation examined multiple outcome domains to assess the impact of the DREAMS program across its different treatment arms. The primary domain was household economic welfare and well-being, encompassing measures of monthly consumption, asset accumulation (including durable, productive, and business assets), income, and economic resilience via savings and shock exposure. Household food security was also a critical outcome, assessed using an adapted Household Hunger Scale[18] (HHS), alongside a composite index for perceived subjective well-being that captured self-reported happiness, health, and life satisfaction.

17 Over the program period, Mercy Corps onboarded 12 private sector partners (PSAs) and disbursed approximately USD 179,334 via cost-share grants ranging from USD 1,300 to USD 35,609 per partnership. The program also conducted 57 open market expos and awareness-raising events bringing together refugee and host business groups, farmers, agropastoralists, PSAs (aggregators, agrovet dealers, veterinary service providers), and local government and refugee-services representatives.

18 Household Hunger Scale

The study also rigorously evaluated women's economic empowerment, recognizing the importance of female financial decision-making power and economic autonomy. Using an adapted Pro-WEAI index[19], specific indicators measured women's participation in livelihood decisions, control over assets, access to financial services, and potential shifts in social norms or spousal relationships. Another key focus was social cohesion, measured through perceptions of trust within the immediate community to determine whether the program fosters integration between refugee and host populations.

Additionally, the evaluation explored community and market integration across the Control, Poverty Graduation, and Full DREAMS evaluation arms. It tracked business activity, specifically engagement in promoted value chains, financial inclusion, and interactions with PSAs. Since the program aims to enhance economic opportunities, important considerations were whether the intervention facilitated sustainable business ventures and if direct market linkages provided a measurable advantage over poverty graduation alone.

Our outcome domains and their corresponding indicators were as follows:

- **Household Welfare & Well-being:** Total monthly household consumption (food and beverage over a 7-day recall period, non-food household items over a 30-day recall, and infrequent expenditures over a 12-month period, all converted into a monthly aggregate measure), total asset ownership (durable, productive, and business assets), food security (adapted Household Hunger Scale), monthly income, business activity (explicitly tracking engagement in promoted value chains), exposure to shocks, access to humanitarian aid, and perceived well-being (an index of happiness, health, and life satisfaction).
- **Women's Empowerment:** Decision-making power and financial autonomy, human and social capital, social norms and cultural barriers, spousal relationships, and an adapted Pro-WEAI Index.
- **Social Cohesion & Community/Market Integration:** Financial inclusion, perceived sense of trust within the immediate community, and integration into local markets.

2.3.3 Qualitative Study

The RCT was complemented by an in-depth qualitative study designed to understand the mechanisms of impact and indirect impacts (spillovers). The study employed Focus Group Discussions (FGDs) and In-Depth Interviews (IDIs) with respondents from the evaluation households and with PSAs.

Across the Heloweyn, Melkadida, and Kobe camps, the qualitative study consisted of:

- **Focus Group Discussions (FGDs):** The research team conducted 24 FGDs, each consisting of 6 to 8 respondents. Participants were selected using stratified random sampling, balancing across value chains, gender, camp, and household status. The sample utilized alternate sampling across camps and gender to maximize diversity while capping the total number of groups. The specific breakdown included 6 FGDs each for the shoat fattening, fodder production, and agricultural value chains within the FD arm, alongside 3 FGDs with the PG arm and 3 FGDs with the Control arm.
- **IDIs with Households:** The study included 90 IDIs selected via purposive sampling across the Heloweyn, Melkadida, and Kobe camps. To capture diverse individual perspectives, our sample was distributed across the three camps and stratified by study arm: 38 Full DREAMS, 37 Poverty Graduation, and 15 Control households. The sample ensured a mix of host, refugee, male, and female respondents within each stratum.

19 Pro-WEAI tool

- **IDIs with PSAs:** The team conducted IDIs with PSAs (targeting approximately two from each priority value chain) to understand their perceptions of the MSD approach. These interviews assessed the PSAs' relationships with beneficiary micro-enterprises, their likelihood of continuing operations in the area, mechanisms through which non-program participants benefited from their presence, and their experience with DREAMS support.

2.3.4. Cost-Effectiveness Analysis (CEA):

The CEA estimates the benefit-cost ratio (BCR) of the DREAMS program by comparing the economic benefits accruing to program participants with the costs of program implementation. Benefits were estimated based on treatment effects on household consumption and net assets, with a projected future impact. We applied a 10% annual social discount rate to future benefits.

2.4 Data Collection

2.4.1 Quantitative Data Collection

The evaluation incorporates data from two main collection points: a targeting survey (December 2023 to August 2024) administered by Village Enterprise and Endline 1 (October to December 2025) conducted by IDinsight, with a second Endline planned for late 2026.

The targeting survey was conducted prior to randomization and included a short quantitative assessment to determine household eligibility as part of its standard programming. IDinsight added a few questions to the targeting survey to collect some baseline data in lieu of a full independent baseline survey.

For Endline 1 data collection, IDinsight partnered with Laterite, a data collection firm selected through a competitive procurement process. IDinsight staff provided on-the-ground supervision and support. Data was collected through enumerator-administered in-person surveys on tablets using SurveyCTO.

Survey respondents were either the Business Owner for treatment households or a similar adult decision-maker in the control household who could feasibly have been a Business Owner if the program had been offered to their household. We programmed the survey to ask for a female respondent in control households with 77.5% probability, to mirror the 77.5% female representation found among treatment Business Owners. If a respondent of the specified gender was unavailable after a second visit to a control household, any available adult decision-maker was interviewed.

The quantitative endline sample included 6,151 households from DREAMS Cohorts 2, 3, and 4. The sample is composed of 72% refugee households and 28% host community households from the Heloweyn, Melkadida, and Kobe camps and surrounding areas, closely mirroring the demographic breakdown of the DREAMS program (70% refugee, 30% host).

Table 2. Final Endline 1 Sample

Respondent Type	Control	Poverty Graduation	Full Dreams	Total
Refugee	1465	1484	1484	4433 (72.1%)
Host	582	570	566	1718 (27.9%)
All	2047 (33.3%)	2054 (33.4%)	2050 (33.3%)	6151 (100.0%)

Unsurveyed Respondents

While the original evaluation sample targeted 7,200 households across the treatment and control arms, the final Endline 1 survey successfully reached 6,151 households (85%). The primary reasons for a smaller sample included evaluation households relocating outside of the study area or camps prior to Endline 1, or respondents being consistently unavailable despite multiple follow-up visits by enumerators.[20]

To understand the potential impact of this attrition, we compared the baseline targeting characteristics of the successfully surveyed households against those that could not be reached (Table 3). An attrition analysis revealed slight but statistically significant demographic differences between the two groups. Unsurveyed households were generally older (an average baseline respondent age of 36 years compared to 35 years for surveyed households), less likely to be headed by a female (66% compared to 72% for surveyed households), and slightly more likely to have eight or more household members (66% compared to 60%).[21] Despite these demographic differences, the baseline poverty likelihood remained identical (57%) across both the surveyed and unsurveyed populations, suggesting that while there was some demographic drift, the underlying economic vulnerability of the evaluation sample was not compromised by the attrition.

Table 3. Comparing Surveyed Respondents to Unsurveyed Respondents using Targeting Data

Variable (at Targeting)	# Obs	Surveyed Mean	Unsurveyed Mean	Difference[22]
Household Head is Female	7200	0.72	0.66	0.07 ***
Household Head Age	7186	35.34	36.13	-0.86 **
Household Head is Single Parent	7200	0.04	0.05	0.00
Has Chronic Disability	7200	0.05	0.04	0.01
Household is 8 or More People	7200	0.60	0.66	-0.04 **
Household Head Has Some Education	7200	0.25	0.24	0.01
Household Was Involved in any VC at Targeting	7200	0.09	0.08	0.03 ***
VC Was Main Source of Income	7200	0.03	0.03	0.01
Poverty Likelihood	7200	0.57	0.57	0.00

We also compared surveyed and unsurveyed households in the two treatment arms in terms of program participation, using monitoring data provided by Village Enterprise and merged with our household sampling list. In general, we observed that surveyed and unsurveyed households in the two treatment arms had similar experiences in the program. Unsurveyed households were slightly less likely to receive the PR grant than surveyed households (99% vs 100%, respectively), and slightly less likely to be running a livestock-related business (83% vs 88%, respectively). Other business outcomes, including revenue, expenses, profits, and overall health, were similar for surveyed and unsurveyed households.

20 Enumerators were instructed to visit each household twice on separate days. If the respondent remained unavailable after the second attempt, the household was marked unreachable.

21 These differences are not driven consistently by the same treatment arm. Differences in household head gender, age, and VC involvement are observed in the control group. Differences in household head age, household size, and VC involvement are observed in the PG group. Differences in household head gender and age are observed in the FD group.

22 In this table and all subsequent tables, statistical significance is denoted as * $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$

Table 4: Comparing Surveyed Respondents to Unsurveyed Respondents using Village Enterprise Monitoring data

Variable (at Targeting)	# Obs	Surveyed Mean	Unsurveyed Mean	Difference
Received SB grant	4797	1.00	1.00	0.00
Received PR grant	4797	1.00	0.99	0.01 **
SB business is Livestock-Related	4797	0.88	0.83	0.04 ***
Business Revenue Reported at Progress Survey 3 (ETB)	4785	233,569	230,227	5958
Business Expenses Reported at Progress Survey 3 (ETB)	4785	169,960	168,456	2204
Business Profit Reported at Progress Survey 3 (ETB)	4794	63,516	61,503	3936 *
Business Health at Progress Survey 3 was Rated "Green"	4794	0.96	0.96	0.00

Given that surveyed and unsurveyed households were broadly similar in demographics, as recorded in the targeting data, and program participation, as recorded in Village Enterprise's monitoring data, we believe that the results from our evaluation reflect the impact that the DREAMS program would have on eligible targeted households.

Data Quality

To ensure the reliability and accuracy of the data collected during the DREAMS Ethiopia Endline 1 evaluation, a robust set of quality assurance protocols was implemented before, during, and after fieldwork, utilizing internal and external quality control teams.

- **Before Data Collection:** Because the three Dollo Ado refugee camps are located in the Somali region of Ethiopia, survey instruments were translated into Somali and Amharic, the primary languages spoken by the local refugee and host communities.[23] Before fieldwork began, all locally-hired enumerators underwent five days of classroom and on-the-job training led by IDinsight and Laterite, covering survey methodology, data collection procedures, and research ethics. The training placed special emphasis on building rapport, probing responses appropriately, and adhering to ethical standards. Staff from implementing partners (Village Enterprise and Mercy Corps) participated to clarify project-specific questions. The data collection software, SurveyCTO, was programmed with built-in quality controls, including logical checks and constraints to minimize enumerator errors. For example, in the consumption section, the tool was programmed to calculate total expenditure based on quantity and unit cost, then prompt the enumerator to confirm this total with the respondent, flagging any discrepancies.
- **During Data Collection:** Both Laterite and IDinsight separately conducted daily and weekly high-frequency checks (HFCs) to monitor key metrics, including average survey duration, completion rates, and instances of high "don't know" or refusal values. When HFCs flagged suspicious data, a verification process was followed, often involving calls back to the respondent to correct the information directly. Laterite's quality assurance team listened to 6% of all completed interviews throughout data collection (audio audits), focusing on sections like informed consent, consumption, and assets.
- **After Data Collection:** Final data cleaning involved systematically reviewing errors identified during HFCs and audio audits by both IDinsight and Laterite, with corrections documented in a central sheet.

23 In practice, 94% of surveys were conducted in Somali and 6% were conducted in English.

2.4.2 Qualitative Data Collection

A dedicated team of six data collectors conducted the semi-structured interviews in Somali, the primary language spoken by the local communities. To ensure privacy and comfort, IDIs were conducted at the respondent's home in a quiet area away from other household members, while FGDs took place in easily accessible, comfortable locations agreed upon by all participants.

Interviews were captured using high-quality audio recorders. The audio was simultaneously translated and transcribed verbatim into English by a separate team of transcribers, preserving the original meaning sentence by sentence. Data collectors omitted filler words but strictly timestamped any inaudible portions rather than guessing the respondent's words, ensuring the highest level of data integrity.

2.4.3 Data Collection Timeline

DREAMS Ethiopia Endline 1 data collection activities began in late October 2025 with enumerator training and pilot testing. Quantitative household surveys were implemented from late October through the end of December. IDIs and FGDs were conducted concurrently with the quantitative phase to gather complementary qualitative insights, as shown in Table 5.

Table 5. Data Collection Timeline

Activity	October '25		November '25				December '25		
	W3	W4	W1	W2	W3	W4	W1	W2	W3
Training & Pilot									
Quantitative Surveys									
In-Depth Interviews									
Focus Group Discussions									
PSA Interviews									

2.5 Data Analysis

2.5.1 Quantitative Analytical Approach

Missing Data: Missing values, primarily occurring when respondents reported possessing a consumption or asset item but could not estimate its monetary value, were imputed as the median value of non-missing responses. Among all respondents, 5.35% had at least one imputed value. Across all respondents and consumption and asset items, <0.01% of quantities were imputed, and 0.15% of prices were imputed.

- **Consumption Quantities:** For missing quantities of consumable items, values were imputed using the median quantity reported by other households in the same treatment arm that reported consuming the same item. Since consumption quantities may be affected by treatment, imputation within the treatment arm ensures that differences in effect sizes across treatment arms were not attenuated due to missing data.
- **Consumption Unit Costs and Asset Values:** Missing unit costs (price per unit) and missing total asset values were imputed using the median value observed across the entire sample for that specific item. Since prices are likely exogenous to treatment, imputation across the sample leads to more accurate imputed values.

Outliers: Outliers were addressed by winsorizing at the 2.5 and 97.5 percentiles (replacing values below the 2.5th percentile with the 2.5th percentile value, and replacing values above the 97.5th percentile with the 97.5th percentile value) to mitigate their effect on the analysis.

The variables winsorized included:

- Total Monthly Household Consumption, Weekly Food Consumption
- Total Household Income, Total Employment Income
- Total Household Asset Value, Total Durable Asset Value, Total Agricultural Asset Value, Total Business Asset Value
- Total Household Business Profit, Farming Profit, and Livestock Profit
- Household Savings, Business Savings, Household Loans, Business Loans

Indices: Several complex multidimensional concepts were consolidated into single, measurable outcomes by aggregating multiple survey indicators.

- The **Well-being Index** provides a single measure of perceived subjective well-being on a 1-10 scale. It is the unweighted average of five standardized scales: Happiness, Health, Free Choice/Control, Life Satisfaction, and Financial Satisfaction. It is adapted from the World Values Survey Wave 7 Questionnaire section on "Happiness and Wellbeing".
- The **Food Insecurity Index** measures household food access and stability over the past month. It is the sum of eight binary indicators (e.g., adults skipped meals, gathered wild food, bought food on credit) and is patterned after the USAID Household Hunger Scale. The score ranges from 0 to 8, with higher scores indicating greater insecurity.
- The **Pro-WEAI Index** is a composite score (ranging from 0 to 1) designed to measure economic empowerment by aggregating performance across multiple critical domains. The final index is the sum of five equally weighted (⅕ each) component indices: (1) **Economic Decision-Making Index:** Measures input in livelihood decisions; (2) **Asset Control Index:** Measures control and ownership of land and other assets; (3) **Financial Service Index:** Measures access to and decision-making over formal and informal financial services; (4) **Important Places Index:** Measures the ability to visit key community locations; (5) **Group Membership Index:** Measures active membership in community groups.

To estimate program effects, the primary analysis follows an Intention-to-Treat (ITT) framework, comparing the outcomes of households assigned to each of the treatment and control groups regardless of actual program participation. The analytical model takes the following form:

$$Y_i = \beta_1 T_{1i} + \beta_2 T_{2i} + X'_i\gamma + \alpha'_s + \varepsilon_i$$

Where:

- Y_i denotes the outcome variable (household financial well-being, empowerment, and cohesion/integration measures) for household *i* at Endline 1
- T_{1i} denotes whether household *i* was randomly assigned to the Full DREAMS treatment arm or not, and T_{2i} denotes whether household *i* was randomly assigned to the Poverty Graduation treatment arm or not

- β_1 is the estimated treatment effect of FD compared to control, β_2 is the estimated treatment effect of PG compared to control, and β_1 vs β_2 compares FD vs PG
- X'_i is a vector of household-level covariates available in the targeting survey, namely gender, marital status, whether the household was involved in a priority value chain at baseline, and derived income from that value chain at baseline, and PPI score at baseline
- γ is a vector of coefficients for the included covariates
- α'_s is a vector of categorical factors corresponding to the stratum that the household is found in. Households were stratified by cohort, area (zone and kebele), whether the household was involved in a priority value chain at baseline, and PPI score.
- ε_i denotes the household error term *i*

The ITT approach ensures that results reflect the program's impact regardless of variation in uptake.

We conducted a secondary Treatment-on-Treated (TOT) analysis to estimate effects among households participating in DREAMS or PG. This analysis accounts for variations in program uptake and assesses whether households that engage fully with the intervention experience stronger impacts. We ran two TOT analyses. In one TOT analysis, we applied a narrow definition of treatment: households were considered 'treated' only if they engaged in the core components of graduation, i.e., started a business group and received at least the first disbursement of seed capital. In the second TOT analysis, we applied a broader definition of treatment: households were considered 'treated' if they completed any major component of the intervention, including joining a BSG, starting a business with BSG members, receiving coaching/support from Village Enterprise, receiving a loan from Village Enterprise, or receiving a voucher from Mercy Corps. Together, these two analyses provided a range of possible TOT estimates.

2.5.1 Qualitative Analytical Approach

The transcripts from FGDs and IDIs were analyzed thematically using a framework analysis approach in Microsoft Excel. The data was disaggregated by gender and respondent type to capture the full range of experiences. Transcripts from FGDs, IDIs, and PSA interviews were transcribed verbatim, translated into English, and securely stored to maintain data integrity and confidentiality. This ensured that participant narratives were preserved in their original meaning, minimizing interpretation bias during analysis.

All qualitative data were systematically organized in a structured coding and theme development matrix that aligned each response to the overarching research questions. A four-level analytical process was then applied to ensure rigor and traceability. At the first level, responses were paraphrased to capture participant views accurately. At the second stage, they were summarized across respondents to identify common perspectives. The third level involved generating recurring themes and sub-themes emerging from the data, capturing a broad range of experiences and insights. Finally, dominant themes were consolidated to define the main qualitative narratives. Triangulation of evidence strengthened the credibility of the findings and provided a comprehensive understanding of the results.

2.6 Ethical Approvals

We obtained ethical approval for this study from the Ethiopian Society of Sociologists, Social Workers, and Anthropologists (ESSSWA) Institutional Review Board (Reference No. ESSSWA/L/AA/05902/2024).

3. EVALUATION RESULTS

3.1 Household Demographics and Characteristics

Households across all treatment arms faced significant vulnerabilities, including a high likelihood of poverty and low educational attainment.[24] At the time of targeting, only 24% of Control and PG household heads and 26% of FD household heads had completed at least primary education. Furthermore, the average household demonstrated a 57% likelihood of falling below the 2016 National Poverty Line. These baseline values, summarized in Table 6, confirm that the sample was well-balanced and the treatment groups were comparable at the outset of the study. Table 7 further details the households' demographics at Endline 1.

Table 6: Household Demographics at Targeting[25]

Variable (at Targeting)	# Obs	Control Mean	PG Mean	FD Mean
Household Head is Female	6151	0.72	0.71	0.74 *
Household Head Age	6141	35.65	35.25	35.13
Household Head is Single Parent	6151	0.04	0.04	0.04
Has Chronic Disability	6151	0.05	0.05	0.05
Household is 8 or More People	6151	0.60	0.60	0.60
Household Head Has Some Education	6151	0.24	0.24	0.26
Household Was Involved in any VC at Targeting	6151	0.09	0.09	0.09
VC Was Main Source of Income	6151	0.03	0.03	0.03
Poverty Likelihood	6151	0.57	0.57	0.57

At Endline 1, the sample population was on average 36 years old. The sample was largely female (78%), reflecting Village Enterprise's focus on recruiting women as Business Owners. We intentionally mirrored this gender profile in the control sample.

Households were large, averaging about 8 members. Household size in our sample was notably larger than both the typical refugee household size reported by UNHCR[26] and national averages for host communities.[27] This indicates that DREAMS may be reaching relatively larger households in the region with a higher probability of living below the poverty line, which may compound existing vulnerabilities.

Educational attainment was uniformly low across the sample, with less than 15% of respondents having completed primary school. This figure falls substantially below Ethiopia's national primary completion rates of 55% for females and 54% for males.[28] Additionally, only about 35% of respondents in our sample could read or write in any language, falling below the national literacy rates of 60%.[29]

---

24 Appendix B presents a balance table confirming that treatment and control groups are statistically equivalent on baseline characteristics (using program targeting data), indicating a balanced sample.

25 In this table and in all subsequent tables, statistical significance (denoted as * p < 0.10, ** p <0.05, *** p < 0.01) is indicated if the PG or FD coefficient in the fixed effects regressions differs significantly from the control group.

26 UNHCR, 2026

27 Ministry of Health, 2020

28 World Bank, 2024

29 World Bank, 2022

There were a few demographic distinctions between the host and refugee sub-samples. On average, host community respondents were younger (34 years old) than their refugee counterparts (36 years old). Additionally, while household sizes were large across the sample, refugee households were slightly larger, averaging about 9 members, compared to 7 in host-community households. Lastly, the refugee sub-sample was more likely to be female, with 81% of refugee respondents being female compared to 71% of host community respondents.

Overall, these demographic characteristics portray a highly vulnerable population, confirming that the DREAMS program successfully reached its intended target of the region's most marginalized households. Importantly, these indicators were balanced across the Control, PG, and FD treatment arms, showing that all groups began with comparable baseline vulnerabilities.

Table 7: Household Demographics at Endline

Characteristic			Evaluation Arms						Household Status			
			Control (N=2047)		Poverty Graduation (N=2054)		Full DREAMS (N=2050)		Refugees (N=4433)		Host Community (N=1718)	
	Mean	(SD)	Mean	(SD)	Mean	(SD)	Mean	(SD)	Mean	(SD)	Mean	(SD)
Respondent is Female	0.78	(0.41)	0.79	(0.41)	0.78	(0.41)	0.77	(0.42)	0.81	(0.39)	0.71	(0.45)
Respondent is Household Head	0.83	(0.37)	0.83	(0.38)	0.83	(0.37)	0.83	(0.37)	0.82	(0.38)	0.86	(0.34)
Respondent Age	35.61	(12.19)	35.57	(12.40)	35.60	(11.91)	35.67	(12.27)	36.33	(12.32)	33.76	(11.65)
Respondent is Married	0.82	(0.39)	0.81	(0.39)	0.81	(0.39)	0.83	(0.37)	0.82	(0.38)	0.80	(0.40)
Respondent Can Read Or Write	0.35	(0.48)	0.35	(0.48)	0.36	(0.48)	0.36	(0.48)	0.35	(0.48)	0.36	(0.48)
Respondent Had at Least One Source of Income	0.41	(0.49)	0.28	(0.45)	0.46	(0.50)	0.48	(0.50)	0.40	(0.49)	0.43	(0.50)
Household Has Member with Disability/Illness	0.20	(0.40)	0.20	(0.40)	0.19	(0.39)	0.20	(0.40)	0.20	(0.40)	0.17	(0.38)
Number of Members of the Household (Including Respondent)	8.36	(3.39)	8.25	(3.41)	8.30	(3.33)	8.52	(3.41)	8.77	(3.47)	7.29	(2.90)
Respondent Education Status												
Did Not Complete Primary	0.79	(0.41)	0.79	(0.40)	0.78	(0.41)	0.79	(0.41)	0.80	(0.40)	0.77	(0.42)
Completed Primary	0.14	(0.35)	0.14	(0.35)	0.15	(0.36)	0.13	(0.34)	0.15	(0.35)	0.13	(0.34)
Completed Secondary Secondary	0.05	(0.22)	0.05	(0.21)	0.05	(0.21)	0.06	(0.23)	0.05	(0.21)	0.05	(0.23)
Completed University Education or Higher	0.02	(0.14)	0.02	(0.14)	0.02	(0.13)	0.02	(0.14)	0.01	(0.10)	0.04	(0.21)
Completed Vocational School	0.00	(0.02)	0.00	(0.02)	0.00	(0.00)	0.00	(0.03)	0.00	(0.02)	0.00	(0.03)

3.2 Program Participation

3.2.1 BSG, BGs, and Business Inputs

According to VE monitoring data, nearly all treatment households joined core program components, including BSGs and BGs. Participation in these groups is a prerequisite for accessing subsequent support such as grants, input vouchers, coaching, and training.

VE records indicate that 100% of the 4,102 households in the treatment arms joined BSGs, participated in BGs, and received SB grants. Additionally, 99.8% of households received PR grants. We consider the VE monitoring data to be the most accurate record of program participation, as it was collected immediately after each programmatic event.

The endline survey data largely confirm these high participation rates, though the figures are slightly lower across most indicators. As shown in Table 8, 98% of PG households and 99% of FD households reported joining BSGs. Among these, 96% of PG households and 97% of FD households reported actively saving within their groups. Business Group formation was similarly high, with 90% of PG households and 95% of FD households reporting participation.[30]

According to endline data, nearly all PG and FD respondents reported receiving grants. 99% of PG and 99% of FD participants reported receiving SB grants, and 98% of PG and 99% of FD participants reported receiving PR grants. Further, 96% of FD households reported receiving vouchers to purchase discounted business inputs. A small proportion (9%) of PG respondents also reported receiving vouchers according to Endline 1 survey data. Mercy Corps was able to share voucher distribution records for two of the three evaluation camps: Heloweyn and Kobe. Cross-referencing these self-reports from the Endline 1 survey against MC's administrative records for Heloweyn and Kobe suggests the apparent contamination is smaller than the self-reported figure implies: of the 112 PG households in these two camps who self-reported receiving a voucher, only 4 appear in MC's distribution records as bidirectional matches. We discuss the patterns and their interpretation in detail in Section 3.2.9

Table 8: Participation in Core Program Components

Variable	PG Only, N=2054		Full Dreams, N=2050		Refugees PG, N=1484		Refugees FD, N=1484		Host PG, N=570		Host FD, N=566	
	n	(%)	n	(%)	n	(%)	n	(%)	n	(%)	n	(%)
Household reporting participating in:												
Household Reports Participating in DREAMS	2035	99.07	2031	99.07	1469	98.99	1473	99.26	566	99.3	558	98.59
Household Participated in BSG	2022	98.44	2026	98.83	1457	98.18	1468	98.92	565	99.1	558	98.59
Respondent Was in a BG	1848	89.97	1946	94.93	1321	89.02	1406	94.74	527	92.5	540	95.41
Respondent Received SB Grant	2037	99.17	2035	99.27	1469	98.99	1476	99.46	568	99.7	559	98.76
Respondent Received PR Grant	2014	98.15	2024	98.73	1452	97.98	1466	98.79	562	98.6	558	98.59
Respondent Received Voucher	181	8.81	1978	96.49	134	9.03	1429	96.29	47	8.3	549	97.00
Respondent Attended BSG trainings	1891	93.75	2003	98.96	1359	93.40	1455	99.18	532	94.7	548	98.38
Respondent Met with BM	1904	92.70	1938	94.54	1371	92.39	1408	94.88	533	93.5	530	93.64
BSG Activity												

30 As BSG and BG enrollment is a mandatory requirement for receiving program grants and support, the slight gap from complete participation is likely attributable to recall error rather than actual non-compliance.

Household Saved Money with BSG	1932	95.55	1959	96.69	1394	95.68	1422	96.87	538	95.2	537	96.24
Respondent Continues to Save Money with BSG	1523	78.83	1595	81.42	1122	80.49	1197	84.18	401	74.5	398	74.12
Household Received Loan from BSG	369	18.25	379	18.71	270	18.53	297	20.23	99	17.5	82	14.70
BG Activity												
Respondent Still in BG	1768	95.67	1883	96.76	1274	96.44	1369	97.37	494	93.7	514	95.19
BG Business Is Still Active	1430	77.38	1567	80.52	1067	80.77	1179	83.85	363	68.9	388	71.85
Respondent's BG Started Additional businesses	98	5.30	94	4.83	81	6.13	76	5.41	17	3.2	18	3.33

Although participation in core DREAMS components declined modestly over time, retention remained high (Table 9). 72% of PG and 74% of FD participants in the oldest cohort (Cohort 2) reported continuing to save with their BSGs at the time of Endline 1 data collection, compared to 82% and 84% in the most recent cohort (Cohort 4). Continued business activity of initial businesses followed a similar pattern: 73% of PG and 75% of FD respondents in Cohort 2 reported that their original business group (BG) business is still active, compared with 80% and 84% respectively in Cohort 4. Ultimately, this ongoing engagement in business and community-level groups may serve as a key mechanism for sustaining long-term economic stability and household livelihood gains.

Table 9: Cohort Participation Rates

Variable	PG Only						Full DREAMS					
	Cohort 2, N=500		Cohort 3, N=517		Cohort 4, N=1037		Cohort 2, N=500		Cohort 3, N=514		Cohort 4, N=1036	
	n	(%)	n	(%)	n	(%)	n	(%)	n	(%)	n	(%)
Current participation at endline												
Respondent Continues to Save Money with BSG	334	71.83	378	79.08	811	82.00	353	74.16	398	82.74	844	84.23
Respondent Still in BG	411	91.33	450	96.15	907	97.53	458	95.02	458	95.22	967	98.37
Original BG Business Is Still Active	330	73.33	357	76.28	743	79.89	363	75.31	381	79.21	823	83.72

Nearly all qualitative respondents highlighted positive experiences with their BGs, frequently highlighting shared labor and idea-sharing as core benefits of working with others. Some participants referenced a three-stone analogy taught by Village Enterprise: just as a cooking pot will fall if one of its three supporting stones is removed, so too does the business rely on the cooperation of all three members. Many respondents emphasized the benefits of shared responsibility in the group. If a member is sick, needs to travel, or is busy with household chores, other group members will step in to help.

Despite generally positive experiences in groups, some participants preferred to operate independently when given the option. These participants typically noted that, while they have benefited from their business groups, they would prefer to keep the entire profit from the business activity rather than share it three ways.

Gender composition played a notable role in group functioning and perceptions. Many participants who participated in the qualitative interviews viewed mixed-gender groups as beneficial, stemming from the belief that women and men have complementary strengths.[31] For example, women were sometimes described as "trustworthy" and good at saving money, while men were perceived as better suited for physical labor and traveling long distances. Interestingly, a few female respondents said they were glad men were in their business groups, noting that an all-women group would have led to fighting.

31 53% of BGs were all-female, 4% were all-male, and 43% were mixed gender.

Business groups were formed in one of two ways. Some qualitative respondents reported choosing their group members independently, often based on pre-existing relationships and trust. Others stated that they were grouped by chance or by "luck", with Business Mentors assigning the groups of three. There is no qualitative evidence of systematic differences in group cohesion or functioning between self-selected and mentor-assigned groups.

3.2.2 Training and Coaching

Almost all treatment participants reported receiving DREAMS training and mentoring. Specifically, 94% of PG and 99% of FD respondents reported attending at least one training as part of their BSG, and 93% of PG and 95% of FD respondents reported meeting with a business mentor for coaching.

As shown in Table 10, respondents most commonly reported receiving training on identifying business opportunities (74% of PG and 73% of FD) and financial literacy (57% of PG and 60% of FD). Fewer participants reported receiving training on post-harvest handling (22% of PG and 23% of FD) or grant preparation (22% of PG and 22% of FD). Mentoring topics followed a similar pattern. Identifying business opportunities (71% of PG and 72% of FD) and financial literacy (59% of PG and 59% of FD) were reported to be the most frequently covered coaching topics. Post-harvest handling was the least common coaching topic, reported by 23% of PG and 24% of FD respondents. Participation in specific sessions was optional and often tailored to participant interest. For example, post-harvest handling trainings were more commonly attended by those with business activities in agriculture rather than shoat fattening. Therefore, it is unsurprising that post-harvest handling trainings were the least reported training received.

The types of reported training and coaching received were consistent across both treatment groups. Notably, PG and FD participants reported comparable rates of receiving VC-specific coaching from Business Mentors (41% and 43%, respectively).

Table 10: Training and Coaching Topics Received

Variable	PG Only, N=2054		Full Dreams, N=2050		Refugees PG, N=1484		Refugees FD, N=1484		Host PG, N=570		Host FD, N=566	
	n	(%)	n	(%)	n	(%)	n	(%)	n	(%)	n	(%)
Household Received Any Program Training (BSG or BM)	2027	98.69	2031	99.07	1462	98.52	1473	99.26	565	99.12	558	98.59
BSG Training												
Financial Literacy	1075	56.85	1194	59.61	750	55.19	831	57.11	325	61.1	363	66.24
Identifying Business Opportunities	1398	73.93	1470	73.39	993	73.07	1066	73.26	405	76.1	404	73.72
VC-Specific Training	758	40.08	793	39.59	511	37.60	570	39.18	247	46.4	223	40.69
Grant Preparation	421	22.26	448	22.37	272	20.01	312	21.44	149	28.0	136	24.82
Maintaining Business Records	851	45.00	869	43.38	605	44.52	642	44.12	246	46.2	227	41.42
Post-Harvest Handling	420	22.21	468	23.36	281	20.68	332	22.82	139	26.1	136	24.82
Increasing Profit	867	45.85	951	47.48	587	43.19	674	46.32	280	52.6	277	50.55
Other	3	0.16	3	0.15	2	0.15	2	0.14	1	0.2	1	0.18
BM Meeting Frequency												
Never	7	0.37	6	0.31	6	0.44	4	0.28	1	0.2	2	0.38
Daily	77	4.04	70	3.61	61	4.45	37	2.63	16	3.0	33	6.23
Weekly	1431	75.16	1431	73.84	998	72.79	1041	73.93	433	81.2	390	73.58
Once a month	62	3.26	62	3.20	55	4.01	52	3.69	7	1.3	10	1.89
2–3 times a month	134	7.04	111	5.73	116	8.46	92	6.53	18	3.4	19	3.58
Less than 5 times total	193	10.14	258	13.31	135	9.85	182	12.93	58	10.9	76	14.34

BM Coaching Received												
Financial Literacy	1118	58.72	1149	59.29	774	56.46	802	56.96	344	64.5	347	65.47
Identifying Business Opportunities	1352	71.01	1391	71.78	955	69.66	1005	71.38	397	74.5	386	72.83
VC-Specific Training	786	41.28	827	42.67	527	38.44	593	42.12	259	48.6	234	44.15
Grant Preparation	454	23.84	451	23.27	298	21.74	312	22.16	156	29.3	139	26.23
Maintaining Business Records	883	46.38	871	44.94	631	46.02	637	45.24	252	47.3	234	44.15
Post-Harvest Handling	436	22.90	468	24.15	285	20.79	326	23.15	151	28.3	142	26.79
Increasing Profit	871	45.75	919	47.42	602	43.91	647	45.95	269	50.5	272	51.32
Other	5	0.26	9	0.46	3	0.22	6	0.43	2	0.4	3	0.57

Most qualitative respondents across both PG and FD treatment arms reported positive experiences with the training and coaching provided by their business mentors, viewing it as a critical part of DREAMS. Commonly discussed training included business and financial literacy, as well as value chain-specific skills such as livestock management. One PG respondent reported, *"From the project we learned how to start and manage a business, improve our livelihoods, and enhance our business skills."* [32]

Beyond initial training, ongoing mentorship was seen as a strong resource for both treatment arms. Many participants noted that business mentors visited their BGs regularly to give targeted advice. A FD qualitative respondent shared, *"[The business mentor] shared a lot of information related to my business, such as the type of animals to procure, how to select the shoats, the characteristics to look for when selling shoats, how to run the business, and other important guidance."* [33] Some qualitative respondents described business mentors as sources of encouragement as well, reminding groups to *"not lose hope."* [34] One respondent described that business mentors *"...encouraged us not to stop the business, to persevere and continue, not to be discouraged."* [35]

3.2.3 Grants and Loans

Most households prioritized using SB and PR grants for business investments, with a small share directing funds toward household consumption. As shown in Table 11, 87% of PG and 86% of FD recipients reported using a portion of their SB grants for business expenses. Similarly, 86% of PG and 86% of FD recipients applied their PR grants to business expenses.

PG and FD participants primarily used BSGs as a savings mechanism rather than a source of credit. Consequently, BSG loan uptake was low (18% of PG and 19% of FD took at least one BSG loan), and loan-takers reported using funds for a mix of household and business purposes. Qualitative interviews and enumerator observations indicate that BSG members typically preferred to accumulate weekly savings to receive a lump-sum payout at the end of the annual cycle rather than actively borrow from the group.

Among loan-takers, the most common single use was household expenses (38% PG, 36% FD), followed by business labor (27% PG, 29% FD) and healthcare (18% in both arms). Smaller shares reported using loans for business inputs (11% in both arms), school fees (10% PG, 6% FD), business tools (8-9%), business transportation (8% in both arms), social contributions including funerals (4-5%), and savings or other purposes. Combined business uses (inputs, tools, transportation, labor) account for roughly half of reported loan uses in both arms, suggesting that BSG loans served as a flexible financial buffer addressing both household needs and business operations. Food shortages and livestock loss were

32 IDI #47. Female Refugee from Heloweyn (PG)

33 IDI #29. Female Refugee from Heloweyn (FD)

34 IDI #64. Female Refugee from Kobe (PG)

35 IDI #13. Female Refugee from Heloweyn (FD)

not separately captured in the EL1 questionnaire, so we cannot speak to those shock types directly; we plan to include this at Endline 2.

Table 11: Program Grants and Loans

Variable	PG Only, N=2054		Full Dreams, N=2050		Refugees PG, N=1484		Refugees FD, N=1484		Host PG, N=570		Host FD, N=566	
	n	(%)	n	(%)	n	(%)	n	(%)	n	(%)	n	(%)
SB Grant												
Respondent Received SB Grant	2037	99.17	2035	99.27	1469	98.99	1476	99.46	568	99.65	566	98.76
Respondent Used Portion of SB grant for Business Expenses	1723	86.63	1715	86.14	1218	85.12	1229	85.29	505	90.5	550	88.36
Respondent Used Portion of SB grant for Home Expenses	228	11.46	269	13.51	164	11.46	188	13.05	64	11.47	550	14.73
PR Grant												
Respondent Received PR Grant	2014	98.15	2024	98.73	1452	97.98	1466	98.79	562	98.6	558	98.59
Respondent Used Portion of PR Grant for Business Expenses	1673	85.53	1687	85.5	1185	84.34	1207	84.7	488	88.57	480	87.59
Respondent Used Portion of PR Grant for Home Expenses	260	13.29	297	15.05	189	13.45	210	14.74	71	12.89	87	15.88
BSG Loan												
Respondent Received a Loan from the BSG	369	18.25	379	18.71	270	18.53	297	20.23	99	17.52	82	14.7
Respondent Used Portion of BSG Loans for Business Expenses	167	45.26	168	44.33	125	46.30	131	44.11	42	42.42	37	45.12
Respondent Used Portion of BSG Loans for Home Expenses	224	60.70	226	59.63	165	61.11	181	60.94	59	59.6	45	54.88
Loans From Formal Financial Institutions												
Respondent Received Loan from Financial Institution	95	4.70	98	4.84	67	4.60	77	5.25	28	4.96	21	3.76
Respondent Used Portion of Formal Loan for Business Expenses	78	82.11	81	82.65	55	82.09	61	79.22	23	82.14	20	95.24
Respondent Used Portion of Formal Loan for Home Expenses	27	28.42	29	29.59	19	28.36	26	33.77	8	28.57	3	14.29

Most qualitative respondents viewed the seed capital cash grants as an integral component of DREAMS and a key catalyst for initiating income-generating activities. Before joining the program, many participants reported having business ideas, most commonly small retail shops or livestock trading, but cited a lack of capital as the primary barrier to starting these activities. The SB and PR grants were widely viewed as enabling participants to translate these ideas into viable businesses. When asked about the importance of the grant received, one respondent stated, *"That grant saved us. If it were missing, business would not have been started."* [36] When another respondent was asked how their life would look if they had only received training without financial support, they responded, *"Such a person would have knowledge without capital and would not be able to do anything."* [37]

36 IDI #2. Female Refugee from Heloweyn (FD)

37 IDI #5. Female Refugee from Melkadida (FD)

Despite the reported benefits of the grants, some participants felt that the grant amounts were insufficient to establish a robust business, particularly amid rising inflation in the community. To overcome this limitation, some households reported supplementing the seed grants with their personal funds to purchase additional goats or goods for their retail shops. For example, one group had each member contribute 10,000 ETB, allowing them to open their shop with a more robust capital of 65,000 ETB. A shoat fattening group contributed a total of 15,000 ETB to their initial grant money to buy additional goats in their initial herd. Consequently, a recurring theme in qualitative interviews was interest in larger or additional grants to further strengthen their businesses.

It is worth noting that the apparent tension between universal sentiment that PG grants were critical to starting the business and reports that some groups pooled their own money on top of the grant is more apparent than real. The pooling behavior appears to reflect participants wanting to do more than the grant alone enabled, such as purchasing additional goats, or stocking a retail shop more deeply, rather than participants being able to start the business without the grant. This is consistent with the specific examples in qualitative interviews (e.g., BGs contributing an additional ETB 10,000 to 15,000 on top of the grant). The grants therefore appear to be a necessary enabler of business start-up, with participant contributions functioning as a supplement where members had the means to invest further.

3.2.4 Vouchers Received

Nearly all (96%) FD households received at least one voucher, with shoat fattening-related vouchers being the most common. Voucher types were linked to the value chain each BG had selected: shoat fattening BGs received vouchers for discounted veterinary services or fodder; agricultural BGs received seed vouchers. Because BGs self-selected their value chain, with minimal encouragement beyond the list of MC-priority value chains, the distribution of voucher types reflects BG preferences rather than voucher availability. Mercy Corps designed all voucher types to be equally accessible to eligible FD recipients. Within a given value chain, vouchers could be used for a range of complementary services (e.g., for shoat fattening: vet services, vaccination, fodder). As shown in Table 12 below, among FD respondents who received a voucher, 76% received discounted veterinary services and 19% received discounted fodder, meaning that 94% of vouchers were directed towards shoat fattening activities. In contrast, only 4% of FD participants with vouchers received seeds for agricultural value chains.

Table 12: Vouchers Received

Variable	PG Only, N=2054		Full Dreams, N=2050		Refugees PG, N=1484		Refugees FD, N=1484		Host PG, N=570		Host FD, N=566	
	n	(%)	n	(%)	n	(%)	n	(%)	n	(%)	n	(%)
Respondent Received Voucher	181	8.81	1978	96.49	134	9.03	1429	96.29	47	8.25	549	97
BG Received Help From MC to Clear Farmland[38]	84	4.1	522	25.51	60	4.05	367	24.76	24	4.22	155	27.48
PG Received Voucher From...												
PG Only Received Voucher from MC Employee	124	75.15			88	74.58			36	76.6		
PG Only Received Voucher from Private Business	29	17.58			23	19.49			6	12.77		
PG Only Received Voucher from Family or Community	12	7.27			7	5.93			5	10.64		
Type of Voucher Received:												
Veterinary Services or Vaccination	117	65.73	1486	75.62	90	68.7	1093	77.08	27	57.45	393	71.85

38 Farmland clearing support for agricultural BGs included training on sustainable land clearing practices, subsidized access to tools and equipment, and technical guidance from agricultural experts.

Fodder	32	17.98	368	18.73	24	18.32	258	18.19	8	17.02	110	20.11
Farm (Seeds)	26	14.61	74	3.77	14	10.69	34	2.4	12	25.53	40	7.31
Other	2	1.12	26	1.32	2	1.53	23	1.62	0	0	3	0.55

Qualitative respondents who received discount vouchers generally described them as helpful in reducing business costs, though not essential to business operations. Most households used these vouchers to purchase both veterinary medicines and fodder at discounted prices. One respondent notes, *"...without the voucher, we would have had to pay extra for animal medicine, which would have been an additional burden."* [39]

Implementer perspectives add useful nuance to these self-reports. Mercy Corps staff noted that some households, particularly in their first production cycle, could not afford even the subsidized cost-share required to redeem the voucher, suggesting that for a subset of FD households, vouchers may have been more than a cost-offset. The shift toward cost-offset behavior may reflect households who had already completed a successful production cycle and had profits to redeploy. This nuance is difficult to pin down with the current data and will be more closely examined at Endline 2.

Many FD participants noted that if they had not received the discount cards, they would have used their seed grants or business profits to purchase the necessary medicines. As one FD respondent explained, *"I see [the voucher] as something good, because the medicine I would have bought was given to me."* [40] Evidence from PG households reinforces this pattern: Many PG participants indicated that, though they did not receive discount cards, they still purchased the necessary medicines and fodder at full price to treat their livestock. This suggests vouchers served as a cost-offsetting tool rather than an essential enabler of business activity, potentially making their role in the program complementary rather than central.

3.2.5 PSA Support and Alignment

A major component of the DREAMS program involves supporting PSAs in entering or expanding their operations within target communities. Most PSAs interviewed reported that prior to DREAMS, they were operating on a much smaller scale, with limited and informal interactions with the refugee settlements.

Mercy Corps supported PSAs through three complementary streams:

1. **Capacity-building training** covered service delivery, business operations, and technical skills, with topics including livestock fattening techniques, animal health management, agro-input use, business development, financial literacy, artisanal baking, and service-provision standards. Training was delivered by business development service providers and by successful related businesses, with Training of Trainers extended to frontline staff (for example, at Shabelle Bank) and Community Animal Health Workers (CAHWs).
2. **Financial support** was delivered through cost-share grants emphasizing service expansion to refugees and host communities and improved access to inputs and services; cost-share grants to 12 PSAs totalled approximately USD 179,334, with individual grants ranging from USD 1,300 to USD 35,609.
3. **Infrastructure investments** were oriented toward last-mile service delivery rather than large standalone assets, and included establishment and upgrading of agrovet centres and veterinary pharmacies; construction of a shoat aggregation centre in Melkadida; expansion of financial service infrastructure (kiosks, agent networks, digital banking platforms, and bank system

39 IDI #16. Female Host from Heloweyn (FD)

40 IDI #1. Female Refugee from Melkadida (FD)

upgrades); cost-share for poultry house construction and a solar system for a poultry hatchery; renovation of a sesame processing plant; and construction of a bakery.

The scale of these investments is reflected in last-mile reach: a single veterinary pharmacy served over 7,200 households, with approximately 60 percent reached via decentralised agents. In our qualitative interviews, a goat aggregator noted, *"Previously, I lacked a proper place for shelter, feeding, and watering. Now, that gap has been addressed, making a substantial difference for me."* Another PSA reported, *"Under the first grant, I received 60% of the total support to strengthen my farm inputs and procure irrigation motors. During this phase, I produced 10,000 bales of fodder, which were distributed to the sites."* This support appears to have facilitated business expansion and strengthened local supply chains.

Despite these gains, PSAs in the agriculture and livestock sectors identified several economic and structural challenges. The primary economic barrier cited in one interview was inflation and currency devaluation. As some agricultural inputs are imported in foreign currency, the rising dollar exchange rate increased the PSA's expenses. Structural and logistical hurdles further compounded these economic pressures, including poor road infrastructure and unreliable internet connectivity. Two PSAs mentioned border security personnel who confiscated legally procured supplies as contraband as an additional challenge.

A financial PSA highlighted a distinct human challenge: community mistrust of formal banking systems. This mistrust stemmed largely from a prior incident involving an unregulated microfinance institution, which created widespread hesitation toward financial services, particularly in the Heloweyn community. Before Shebelle Bank established its formal branch, an informal entity operating without authorization from the National Bank of Ethiopia provided banking services to both refugee and host communities. After gaining the community's trust and collecting deposits, respondents reported that the operators absconded the funds. As the institution lacked legal oversight, depositors had no formal recourse to recover their lost capital. Consequently, financial PSAs have had to undertake extensive outreach efforts to rebuild public confidence in the formal financial sector.

Standard banking requirements presented additional barriers for vulnerable populations. The PSA noted that many community members, particularly refugees, have low incomes and cannot afford the initial deposits required to access loans. Further, they often lack the physical collateral or individual guarantees mandated by formal banking procedures. Quantitative data underscores these challenges: only 11% of PG households and 9% of FD households reported using formal financial services, a modest increase from the 7% baseline observed in the control group.

Despite these barriers, PSAs viewed the settlements as large, concentrated, and underserved markets with strong long-term business potential. They successfully facilitated commercial activities for both DREAMS participants and the broader community. For FD program participants, PSAs provided access to subsidized medicines and fodder, bulk-selling options for livestock, informal technical guidance on shoat management, timely information on disease outbreaks, and introductions to CAHWs during vaccination campaigns. Formal shoat fattening training was delivered separately by livestock experts from government livestock offices, in coordination with the program. Engagement with these services was not universal; while the program facilitated these linkages for FD participants, only 34% of FD respondents reported receiving training specifically related to shoat fattening from a PSA.

Meanwhile, non-participants also appeared to benefit from PSA presence in the settlements. Across control group FGDs, respondents described new businesses opening in the community, improving access to essential goods such as household items, pharmaceuticals, and animal feed that previously required travel to further markets. While it is not clear whether these were DREAMS-supported PSAs, participant-

owned businesses, or unrelated businesses responding to increased demand, control respondents associated DREAMS with increased business activity and availability of goods in their communities.

Household qualitative and quantitative data show some disconnect between PSA reports and household perceptions of service provision. With the exception of the goat aggregator, all interviewed PSAs stated that they served non-participants, providing support such as loan coaching, livestock vaccination guidance, and agricultural marketing advice. Yet these services were rarely mentioned in control and PG household interviews, suggesting that the provision of these services might not be reaching the most vulnerable in the community.

Looking ahead, all interviewed PSAs plan to sustain their operations in the settlements after the DREAMS program concludes. Several PSAs also expressed ambitions to expand into surrounding towns, while one reported plans to invest in new agricultural equipment.

3.2.6 Bulking

Bulking appears to be an emerging market coordination strategy among both FD and PG participants, though its broader uptake and market integration remain limited. Bulking is a mechanism through which the MSD component aims to improve market integration by increasing bargaining power, reducing transaction costs, and enabling access to larger buyers. Overall, less than half of FD (35%) respondents and PG respondents (23%) reported that their BG participated in bulking. When engaging in this activity, individuals most often collaborated with other BSG members (54% of PG and 55% of FD) or other DREAMS participants outside their BSGs (44% of PG and 45% of FD). Fewer than a quarter of respondents included non-DREAMS participants in their bulking activities.

Participants who engaged in bulking typically sold their aggregated products to local traders a few times a year to secure better prices, suggesting that the practice is ad hoc rather than a regular practice. The majority of these respondents sold to local traders or middlemen (87% of PG and 82% of FD). This process occurred most frequently 2 or 3 times over a 12-month period in both groups (48% of PG and 51% of FD). When asked to identify the advantages of this practice, nearly all respondents who bulked reported that the primary benefit was obtaining better prices (97% of PG and 95% of FD). A smaller proportion of participants noted reduced transportation costs as a benefit (17% of PG and 14% of FD).

Table 13: Bulking Experiences

Variable	PG Only, N=2054		Full Dreams, N=2050		Refugees PG, N=1484		Refugees FD, N=1484		Host PG, N=570		Host FD, N=566	
	n	(%)	n	(%)	n	(%)	n	(%)	n	(%)	n	(%)
BG participated in bulking	463	22.57	723	35.34	343	23.16	523	35.34	120	21.1	200	35.34
BG bulked with...												
BSG members	250	54.00	397	54.91	188	54.81	287	54.88	62	51.7	110	55.00
Other DREAMS outside BSG	203	43.84	322	44.54	141	41.11	223	42.64	62	51.7	99	49.50
Non-DREAMS participants	94	20.30	153	21.16	65	18.95	109	20.84	29	24.2	44	22.00
Local traders/middlemen	402	86.83	596	82.43	294	85.71	425	81.26	108	90.0	171	85.50
Co-ops/associations	75	16.20	129	17.84	47	13.70	86	16.44	28	23.3	43	21.50
Large buyers/wholesalers	23	4.97	34	4.70	17	4.96	25	4.78	6	5.0	9	4.50
BG bulked to...												
Export companies	22	4.75	63	8.71	16	4.66	48	9.18	6	5.0	15	7.50
NGO/aid organizations	18	3.89	22	3.04	13	3.79	12	2.29	5	4.2	10	5.00
Other	4	0.86	8	1.11	4	1.17	8	1.53	0	0.0	0	0.00

BG bulking frequency...												
Once (12 months)	86	18.61	157	21.72	69	20.18	103	19.69	17	14.2	54	27.00
A few times (2–3) (12 months)	222	48.05	370	51.18	158	46.20	274	52.39	64	53.3	96	48.00
Several times (4–6) (12 months)	91	19.70	128	17.70	68	19.88	94	17.97	23	19.2	34	17.00
Many times (7+) (12 months)	63	13.64	68	9.41	47	13.74	52	9.94	16	13.3	16	8.00
Bulking benefits:												
None	2	0.43	7	0.97	2	0.58	7	1.34	0	0.0	0	0.00
Better prices	447	96.54	690	95.44	330	96.21	494	94.46	117	97.5	196	98.00
Reduced transportation costs	78	16.85	98	13.55	61	17.78	69	13.19	17	14.2	29	14.50
Access to larger markets	35	7.56	55	7.61	28	8.16	42	8.03	7	5.8	13	6.50
Access to inputs/credit	18	3.89	34	4.70	15	4.37	29	5.54	3	2.5	5	2.50
Other	4	0.86	3	0.41	1	0.29	0	0.00	3	2.5	3	1.50

Qualitative interviews indicate that most participants rely on localized selling, transacting with whichever buyers are present at the market on a given day, rather than established recurring clients or bulking. When asked about their customers, respondents frequently stated that anyone in the market could buy from them, but that they had no consistent or established customer base. While describing their typical customers, one participant stated, *"I don't have anyone specific; it's whoever comes, and I don't know the people personally."* [41]

While many participants recognize that distant markets such as Dollo Ado or Mandera offer higher profit margins, they lack the critical mass of inventory to make the journey economically viable. One participant stated the necessity of bulking to reach these markets, explaining that *"At least 10 animals or more [are needed]. With only two or three animals, all the money would go to expenses."* [42] One respondent with previous experience in bulking with his BSG explained his experience. *"...We used to send goats to Kobo. Everyone would contribute two, three, or four goats, and we would combine them. A trusted person from the larger group of 30 would transport the goats. The prices are good, so when you sell one goat, you can buy two with the money [earned]."* [43] These experiences highlight the value of PSA-supported bulking, which provides the logistical support households need to access more profitable markets.

Gender-based constraints further shape market participation. Many women reported that household responsibilities and childcare obligations limit their ability to travel to more profitable markets. While describing the importance of having men in her business group, a female respondent stated, *"Men can travel for work over long distances alone and are not afraid. But if a woman travels alone, she may face risks like assault, and children may require care."* [44] Male respondents cite transportation costs rather than security concerns as the main barrier preventing selling in outside markets.

41 IDI #43. Female Refugee from Heloweyn (PG)

42 IDI #5 Female Refugee from Melkadida (FD)

43 IDI #14 Female Refugee from Melkadida (FD)

44 IDI #64 Female Refugee from Kobe (PG)

Although most participants spoke positively about the training they received on buying and caring for livestock, many noted a lack of support when it came to selling the animals. One FD qualitative respondent said, *"I would have liked to be connected with large traders or slaughterhouses so we could have a stable market. However, they gave us good training related to markets, which benefited us and taught us which livestock are marketable."*[45] This represents an opportunity to further strengthen the benefits of the DREAMS program in the future.

3.2.7 Initial BG Business Activities

Most Business Groups selected program-promoted value chains, particularly shoat fattening, with minimal variation across treatment arms. At the start of the program, 91% of PG and 97% of FD households in BGs started a business in a promoted value chain.

A core element of DREAMS involves guiding households toward value chains identified by Mercy Corps as having high development potential, while still allowing flexibility to pursue alternative enterprises. For FD households, participation in these value chains enabled them to receive direct market linkage support, including technical assistance, training, and vouchers.

According to endline data, the majority of BGs initially engaged in shoat fattening, with other value chains accounting for a small fraction of businesses. As shown in Table 14, 90% of PG and 94% of FD respondents reported engagement in shoat fattening in their BGs. There were no statistically significant differences across treatment arms, with one notable exception: PG groups were more likely to report operating general merchandising or retail shops than FD groups (8% vs 3%, respectively), though in absolute terms, a small percentage of households participated in these value chains overall. Engagement in land-intensive crop value chains remained low overall. However, host community households were slightly more likely to report participation in maize production (1% of PG and 6% of FD) than refugee households (0.5% of PG and 1% of FD).

Table 14: BG Business Activities

Variable	PG Only, N=2054		Full Dreams, N=2050		Refugees PG, N=1484		Refugees FD, N=1484		Host PG, N=570		Host FD, N=566	
	n	(%)	n	(%)	n	(%)	n	(%)	n	(%)	n	(%)
BG's initial business was in any promoted value chain	1677	90.75	1881	96.66	1187	89.86	1363	96.94	490	92.98	518	95.93
BG's initial business covered multiple business activities	8	0.39	44	2.15	5	0.34	27	1.82	3	0.53	17	3.00
BG Businesses in Promoted Value Chains												
Shoat fattening (sheep or goat)	1654	89.50	1831	94.09	1174	88.87	1343	95.52	480	91.08	488	90.37
Fodder production	6	0.32	22	1.13	5	0.38	19	1.35	1	0.19	3	0.56
Bakery	2	0.11	6	0.31	1	0.08	6	0.43	1	0.19	0	0.00
Fodder Retailers	4	0.22	12	0.62	3	0.23	11	0.78	1	0.19	1	0.19
Poultry - Hybrid breeds	2	0.11	3	0.15	2	0.15	3	0.21	0	0.00	0	0.00
Sesame production	1	0.05	5	0.26	0	0.00	2	0.14	1	0.19	3	0.56
Watermelon production	1	0.05	6	0.31	0	0.00	1	0.07	1	0.19	5	0.93
Maize production	13	0.70	49	2.52	6	0.45	15	1.07	7	1.33	34	6.30
Pepper production	1	0.05	2	0.1	0	0.00	1	0.07	1	0.19	1	0.19
BG Businesses in other Value Chains												
Poultry - Local breeds	6	0.32	8	0.41	4	0.30	7	0.50	2	0.38	1	0.19

45 IDI #5 Female Refugee from Melkadida (FD)

General merchandising business/retail shop	151	8.17	49	2.52	116	8.78	35	2.49	35	6.64	14	2.59
Other (specify)	25	1.35	24	1.23	23	1.74	15	1.07	2	0.38	9	1.67

Shoat fattening emerged as the dominant enterprise because it aligned with participants' existing skills, minimized downside risk, and fit within structural and gender-based constraints. Notably, qualitative respondents indicated that they actively chose this business for practical reasons, rather than because a business mentor encouraged them to pursue it. Most participants selected shoat fattening as their primary business activity due to the perceived resilience, the quick return, and their prior experience with livestock. Because many participants come from pastoralist backgrounds, they already possess the foundational knowledge required to raise healthy livestock. Many favored goats over selling perishable goods, as animals are perceived as resilient assets that do not "spoil." One PG respondent explained, *"[Goats] are not like vegetables that get destroyed quickly."* [46] If market prices are too low or buyers are absent on a given day, participants can return home with the animals and wait for better conditions. A PG respondent stated, *"With goats, if you don't find a buyer that day, you can just bring them back [home]; there is no loss."* [47]

Shoat fattening was also popular among women for its flexibility in timing and location. Many female participants face household and childcare responsibilities that limit their ability to spend extended time away from home. Some explained that operating a retail shop or selling vegetables requires remaining at the market throughout the day, often at the expense of childcare. In contrast, goats can be kept and fed at home, allowing women to manage their businesses safely without abandoning their domestic duties. One female respondent explained a benefit of shoat fattening as, *"...you can stay at home and make a good profit."* [48]

Land access emerged as a primary barrier to farming enterprises. Refugee and vulnerable households typically do not own farmland and must rely on renting or sharecropping agreements. In our quantitative sample, fewer than half (48%) of host-community households reported owning agricultural land, and only 1% of refugee households did. Female respondents identified the physical demands and delayed returns of agricultural work as deterrents. Distance to viable farmland was another frequently reported challenge, with women highlighting long travel times as a significant logistical burden. Tasks such as digging and nighttime pest control further discouraged them from choosing farming enterprises. In Dollo Ado, land-clearing and land-use agreements between refugee groups and host community landowners are not common and the dry, drought-prone landscape further constrains the economic viability of smallholder cropping. In addition, for host communities, viable agricultural land is typically far away from the household. Thus, even host community households who owned land preferred business opportunities that kept them closer to home.

Retail and vegetable businesses were perceived as carrying distinct financial risks. Some participants noted that unsold vegetables spoil quickly in the sun, resulting in financial losses. Retail shops also faced challenges due to customers who bought on credit and failed to repay their loans. While explaining why she did not pursue a retail business, one respondent explained, *"We feared that if we started a clothing business, some women might ask to take items on credit or debt, which could lead to back-and-forth problems. As new business owners, we felt that would not be good for us."* [49]

46 IDI #62. Female Refugee from Heloweyn (PG)

47 IDI #53. Female Refugee from Melkadida (PG)

48 IDI #65. Female Refugee from Kobe (PG)

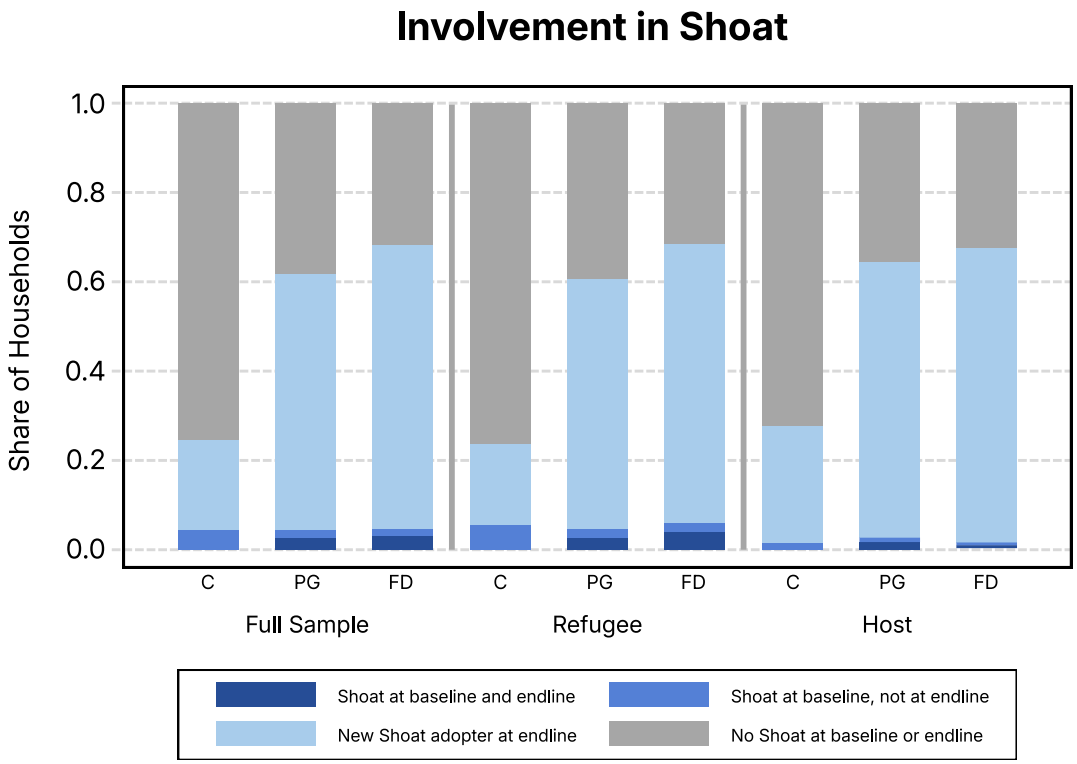
49 IDI #47. Female Refugee from Heloweyn (PG)

3.2.8 Value Chain Activities at Endline 1

Shoat fattening remained the most popular value chain at Endline 1, particularly among treatment households. As seen in Table 15, 21% of control households were engaged in this sector at Endline 1, and participation rates were significantly higher in the treatment groups, reaching 61% in PG households and 67% in FD households.

These participation rates reflect a measurable shift in business activities from baseline. Compared to data collected during targeting, households across the control, PG, and FD treatment arms became involved in the shoat fattening value chain over the course of the program (Figure 5). This trend suggests that DREAMS effectively encouraged and enabled households to actively transition into the value chain.

Figure 5: Stacked Bar for VC Activity Timing



C = Control, PG=Poverty Graduation, FD=Full DREAMS

Engagement in other promoted value chains remained low across all groups. Maize production was the second-most common activity, though only 13% of control households, 13% of PG households, and 14% of FD households reported engaging in it. Host community households accounted for the majority of maize production. Among host households, 27% of control, 23% of PG, and 24% of FD households engaged in maize cultivation, compared to only 8% of control, 9% of PG, and 10% of FD refugee households. Participation in general merchandising and retail shops was minimal overall but slightly higher in the treatment arms, at 4% of PG and 3% of FD households, compared with 2% in the control group.

Table 15: VC Activities at Endline

Variable	Control Mean (N =2047)	ITT PG, All (N =2054)	ITT FD, All (N=2050)	DiD T2-T1
Household Engaged in Any Promoted VC Activity	0.34	0.38 ***	0.44 ***	0.07 ***
Endline VC Activity				
Shoat fattening (sheep or goat)	0.21	0.40 ***	0.46 ***	0.07 ***
Sesame production	0.01	0.00	0.00	0.00
Watermelon production	0.01	0.00	0.00	0.00
Maize production	0.13	0.00	0.01	0.01
General merchandising business/retail shop	0.02	0.02 ***	0.01 **	-0.01 *

*The p-value symbols in the table and throughout the report are as follows: '***' for p ≤ 0.01, '*' for 0.01 < p ≤ 0.05, and '' for 0.05 < p ≤ 0.10. No symbol denotes p > 0.10.*

Qualitative interviews show that while shoat fattening remained the dominant value chain at endline, drought-related market volatility exposed its vulnerability to environmental shocks. The October to December 2025 short rains across southeastern Ethiopia, including the Dollo Ado program area, fell to approximately 30 percent of the 1981 to 2024 average, ranking the season among the driest on record in the region (FEWS NET, 2025). This unusually severe drought likely dampened shoat fattening returns at endline and may help explain the smaller magnitude of treatment effects observed in Ethiopia relative to Uganda. Although respondents continued to view shoat fattening as a profitable and flexible enterprise aligned with their pastoralist backgrounds, most reported operating under sustained drought conditions at endline. The drought depressed livestock prices while increasing feed costs, creating significant market instability. One FD respondent explained, *"At the moment, it's the worst time to buy livestock because of the drought…The livestock owners cannot take care of the livestock, so the price is very low and cheap."* [50] Consequently, participants struggled to sell their goats for prices that generated a return on their investment.

To avoid selling at a loss, some participants mentioned adopting a strategy of holding on to their livestock until market conditions improve. Rather than accepting low prices, participants take their unsold goats back home from the market and wait for the drought to pass or for prices to rise again. While this strategy protects their initial investment, it ties up their capital and places continuous financial strain on the household to keep the animals fed and healthy in the interim. A focus group respondent said, "*…the first challenge is that there is a bad market during drought time. You can't sell the goat you bought, and the goat needs grass or fodder."* [51]

Driven by the volatile goat market, some participants expressed a desire to diversify their income streams. However, qualitative interviews revealed a lack of diversification in practice. Many respondents reported spending their PR grant on purchasing additional sheep or goats rather than investing in new enterprises. While they did not want to abandon shoat fattening altogether, some wished they had the capital to simultaneously open a retail shop or invest in agriculture. While describing additional agricultural support he would like to receive, a respondent in shoat fattening noted, *"I believe that overall, life in agriculture is better and more stable than livestock alone."* [52]

Treatment households demonstrated higher interaction rates with PSAs in Shoat Fattening, particularly among FD participants. 19% of PG and 40% of FD households reported engagement with a shoat

50 IDI #18. Female Host from Kobe (FD)

51 FGD #1. Male Refugee from Heloweyn (FD)

52 IDI #68. Male Refugee from Melkadida (PG)

PSA, compared to only 5% of control households (Table 16).[53] These interactions were predominantly with veterinary and animal health providers. Vet interactions were reported by 36% of FD respondents and 16% of PG respondents, compared with 4% of the control group. This increase in market linkages corresponds with greater optimism regarding the shoat fattening value chain. While 19% of control households expressed confidence in the future of shoat income, 58% of PG and 65% of FD households were confident.

PG and FD households were more likely to report receiving training from a PSA since the start of DREAMS. While only 4% of control households reported receiving this training from a shoat PSA, 13% of PG and 34% of FD households reported receiving support, primarily focused on animal health. Despite increased exposure to PSAs, treatment households reported minimal adoption of new shoat fattening practices. The reported adoption of specific new techniques, such as vaccination adherence, increased by only 2 percentage points for PG and 5 percentage points for FD respondents, from near-zero control baselines.

Market behavior regarding input purchases and goat sales revealed minimal differences between PG and FD groups. For input purchases, 48% of FD households sourced materials from a vet or animal health provider, closely followed by 40% of PG households, compared to just 12% of the control group. Buyer selection remained uniform across both treatment groups. PG and FD households sold their livestock primarily to market traders and direct consumers at nearly identical rates. This indicates that sales channels and input sourcing strategies were largely consistent regardless of the direct market linkages provided to FD participants.

Table 16: Shoat PSA Interactions

Variable	Control Mean (N =2047)	ITT PG, All (N =2054)	ITT FD, All (N=2050)	DiD T2-T1
Household produces shoat for consumption only	0.04	0.03 ***	0.02 ***	-0.01
Household produces shoat for consumption and sharing only	0.04	0.09 ***	0.11 ***	0.03 **
Household produces shoat for sale only	0.02	0.07 ***	0.09 ***	0.02 *
Household produces shoat for consumption, sharing, and sale	0.11	0.21 ***	0.24 ***	0.03 **
Sold shoat to....				
Direct consumers	0.06	0.12 ***	0.13 ***	0.02
Market trader/retailer	0.08	0.17 ***	0.18 ***	0.01
Bulking agent (Incl. PSA)	0.00	0.03 ***	0.07 ***	0.03 ***
Processor (mill/slaughterhouse/ect.)	0.00	0.02 ***	0.02 ***	0.01
Institution (NGO/School/hospital/ect.)	0.00	0.01 ***	0.01 ***	0.00
Other	0.00	0.00 **	0.00 **	0.00
Bought shoat inputs from...				
Private input supplier/agro-dealer	0.02	0.01 **	0.03 ***	0.02 ***
Feed supplier/miller	0.06	0.07 ***	0.07 ***	0.00
Vet/animal health provider	0.12	0.28 ***	0.36 ***	0.08 ***
Buyer/off-taker	0.00	0.01 ***	0.01 ***	0.00
Co-op/producer group/BSG	0.00	0.03 ***	0.05 ***	0.02 ***
Government	0.00	0.01 ***	0.01 ***	0.00
NGO/project	0.01	0.06 ***	0.13 ***	0.07 ***
Home-save/own production	0.00	0.01 ***	0.01 ***	0.00

53 Reported engagement rates with PSAs are likely underestimates due to recall bias, as 96% of FD respondents reported receiving a voucher which would have required a PSA interaction to redeem.

Foraging	0.03	0.04 ***	0.02 ***	-0.03 ***
Other	0.01	0.00	0.00	0.00
New practice for shoat:				
Improved variety/seed selection	0.01	0.01 ***	0.02 ***	0.01 *
Pest/disease ID and control (IPM)	0.00	0.01 ***	0.03 ***	0.02 ***
Improved breeds/chicks/housing	0.00	0.03 ***	0.04 ***	0.02 ***
Feeding/ration formulation changes	0.02	0.02 ***	0.06 ***	0.03 ***
Vaccination/deworming adherence	0.01	0.02 ***	0.05 ***	0.03 ***
Biosecurity/mortality reduction	0.00	0.02 ***	0.04 ***	0.02 ***
Product handling and hygiene	0.00	0.02 ***	0.02 ***	0.00
Pricing/quality/negotiation	0.00	0.02 ***	0.04 ***	0.02 ***
Record-keeping/inventory/cash-book	0.00	0.01 ***	0.02 ***	0.01 **
Other (specify)	0.00	0.00 **	0.00 ***	0.00
Guidance Source				
None	0.32	-0.12 ***	-0.15 ***	-0.03
PSAs	0.01	0.05 ***	0.09 ***	0.04 ***
Community	0.05	0.15 ***	0.17 ***	0.02
Family	0.09	0.16 ***	0.20 ***	0.04 ***
Government or nonprofit	0.01	0.11 ***	0.12 ***	0.01
Other	0.00	0.00 ***	0.01 ***	0.00
Confidence				
HH is confident/very confident in future income from shoat	0.19	0.39 ***	0.46 ***	0.07 ***
HH is neutral about future income from shoat	0.01	0.00	0.01 *	0.00
HH is not very or not at all confident in future income from shoat	0.00	0.00	0.00	0.00
PSA Interactions				
HH interacted with PSA related to shoat	0.05	0.14 ***	0.35 ***	0.21 ***
HH interacted with Input supplier/ agro-dealer for shoat	0.00	0.01 ***	0.03 ***	0.02 ***
HH interacted with Feed supplier/ miller for shoat	0.00	0.02 ***	0.05 ***	0.03 ***
HH interacted with Vet/ animal health provider for shoat	0.04	0.12 ***	0.32 ***	0.19 ***
HH interacted with Buyer/ off-taker/ aggregator for shoat	0.00	0.00 ***	0.01 ***	0.01 ***
HH interacted with Transport/ logistics provider for shoat	0.00	0.00 **	0.01 ***	0.01 ***
HH interacted with Financial service provider for shoat	0.00	0.00 **	0.01 ***	0.01 ***
HH paid PSA for goods/services related to shoat	0.04	0.12 ***	0.30 ***	0.19 ***

3.2.9 Contamination and Spillover

Apparent deviations from the intended treatment assignment in this evaluation arise from three distinct sources, which we distinguish here because they have different implications for how the findings should be interpreted.

1. **Measurement error and recall limitations.** Most PG respondents who self-reported voucher receipt did not match to Mercy Corps' administrative distribution records, even under fuzzy name matching that accommodates the transliteration variance common in Somali names. Of the 112 PG households in Hilaweyn and Kobe who self-reported receipt, 108 did not appear in MC's records. Some of this gap likely reflects misattribution of other aid (food rations or agricultural inputs from other NGOs) as the DREAMS voucher; some may reflect confusion with SB or PR grants; and some may reflect name-matching limitations rather than true non-receipt. Regardless

of the precise composition, these cases are unlikely to represent programmatic contamination of the PG arm in the standard RCT sense.

2. **Documented cross-arm exposure.** A smaller group of PG households show some form of administrative evidence of voucher exposure: either confirmed bidirectionally with self-report (4 households) or appearing in MC's distribution records without corresponding self-report (67 households, which may reflect business-group-level collection by another member). At the business group level, roughly 7% of PG BGs had at least one member matched in MC's records. These figures are modest relative to the FD arm's near-universal voucher coverage, and they exclude Melkadida camp where MC distribution records were not available.
3. **Designed spillovers from community-level MSD.** Indirect MSD activities (PSA expansion, cost-share grants, awareness-raising) operated at the market and community level by design, and therefore reached PG and control households alongside FD participants. This is a programmatic feature rather and a design concern. It compresses the measurable PG-vs-control and FD-vs-control effect sizes by raising the effective baseline, and correctly interpreting the treatment contrasts requires acknowledging this shared exposure (see also the discussion of indirect MSD in Section 1.2.3 and the methods sentence in Section 2.1).

Below, we document the extent of category (1) and (2) in our data. Category (3) is discussed throughout the impact results.

Of the control respondents who were aware of the program, only 7% reported interacting with at least one component. Only 4% of control respondents who knew of DREAMS attended a Village Enterprise meeting or training, and 3% joined a BSG. Post-graduation, BSGs may invite additional community members, including control households; of the 44 who joined, 16 (36%) did so after group graduation.

Table 17: Control Contamination and Spillover

Variable	All Control, N=2047		Control Refugees, N=1465		Control Host Community, N=582	
	n	(%)	n	(%)	n	(%)
Control Respondent Knew About Dreams	1663	81.24	1177	80.34	486	83.51
Control Respondent Knew Household In DREAMS	1401	84.25	992	84.28	409	84.16
Relationship to known Household						
Family	278	19.84	187	18.85	91	22.25
Friend	540	38.54	356	35.89	184	44.99
Neighbor	1127	80.44	811	81.75	316	77.26
Community	110	7.85	75	7.56	35	8.56
Control Interactions with DREAMS Components						
None	1542	92.72	1081	91.84	461	94.86
Attend VE meetings/ trainings (Not including introduction meetings)	74	4.45	58	4.93	16	3.29
Join a BSG	44	2.65	38	3.23	6	1.23
Start or run a business with BSG members	30	1.80	25	2.12	5	1.03
Receive coaching or support from VE	38	2.29	33	2.80	5	1.03
Receive a loan from a VE	3	0.18	3	0.25	0	0.00
Receive discounts vouchers	15	0.90	14	1.19	1	0.21
Receive any other support from a Village Enterprise or Mercy Corps rep	36	2.16	26	2.21	10	2.06

Some contamination may have occurred between the two treatment arms. As previously mentioned, 9% of PG households reported receiving a voucher for discounted inputs, a benefit designed exclusively for Full DREAMS participants.

Table 18: PG Receipt of Vouchers

Variable	PG Only, N=2054		Refugees PG, N=1484		Host PG, N=570	
	n	(%)	n	(%)	n	(%)
Respondent Received Voucher	181	8.81	134	9.03	47	8.25
BG Received Help from MC to Clear Farmland	84	4.1	60	4.05	24	4.22
PG Received Voucher From...						
PG Only Received Voucher from MC Employee	124	75.15	88	74.58	36	76.6
PG Only Received Voucher from Private Business	29	17.58	23	19.49	6	12.77
PG Only Received Voucher from Family or Community	12	7.27	7	5.93	5	10.64
Type of Voucher Received:						
Shoat (Vet or Fodder)	149	83.71	114	87.02	35	74.47
Veterinary Services or Vaccination	117	65.73	90	68.7	27	57.45
Fodder	32	17.98	24	18.32	8	17.02
Farm (Seeds)	26	14.61	14	10.69	12	25.53
Other	2	1.12	2	1.53	0	0

Qualitative interviews suggest that some control households reported benefiting indirectly from the DREAMS program through resource sharing and access to informal credit. Given that participants and non-participants live in close proximity as neighbors, control households can borrow basic food items from DREAMS beneficiaries whose livelihoods have improved. In addition to borrowing daily household items, a few control respondents obtained financial credit directly through DREAMS savings groups.[54] In a focus group discussion, a control respondent explained, *"When [the BSG] granted me the loan, they took the specific problems I was facing into consideration...Based on that, the group agreed to provide the requested amount."* [55] In other instances, control households described borrowing informally or buying items on credit from DREAMS businesses.

Many control households gained second-hand training and financial knowledge through their interactions with DREAMS respondents. Some control respondents reported learning practical skills from their neighbors who were enrolled in DREAMS, such as saving money, managing limited resources, and conducting business. One control participant noted that he regularly meets with DREAMS participants and acts *"like a student"*, gathering advice and business strategies.[56] This second-hand learning has positively influenced non-participants, offering new ideas for saving money and helping them plan to start their own businesses if they can secure capital in the future.

These findings point to positive spillover effects beyond directly enrolled households. They are consistent with the program's broader theory of change, which anticipates that enabling some community members to build sustainable livelihoods may generate wider economic and social benefits.

54 It's unclear whether to categorize this type of interaction as contamination, since we do not know when it occurred, and after the graduation program ended BSGs were not prevented from enrolling non-DREAMS members of the community.

55 FGD #19. Male Host from Heloweyn (Control)

56 IDI #78. Male Refugee from Melkadida (Control)

While treatment households who participated in most DREAMS activities likely experienced the majority of the program's benefits, it is clear from the quantitative and qualitative results that there were some positive spillovers to control households and likely to the rest of the community. We should therefore interpret the quantitative results as a lower bound of DREAMS' total impact on the community.

3.2.10 Community Level Changes

Qualitative respondents across all treatment arms observed a visible increase in business activity within their communities since DREAMS began. Most respondents noted new businesses emerging in their communities, particularly in shoat fattening and retail. Interviews with control households suggest that these changes influenced community members beyond direct program participants. Some control group members reported that observing their neighbors' business success motivated them to pursue their own. One control respondent explained, *"[DREAMS Participants'] advice and support inspired me to plan a larger shop for more customers and start small livestock trading to earn extra profit."*[57] Another control respondent said, *"...seeing their work motivated me. I started my own business selling women's clothes... even though I am not part of the project, I am still competing successfully."*[58]

Some respondents also highlighted improvements in local access to business inputs and services. Items such as veterinary medicines, agricultural tools, and fodder are now available in the camps and host communities, whereas before DREAMS, accessing these goods required travel to larger towns like Dollo Ado. A PG qualitative respondent described new access to medicine and agricultural tools, *"Previously, these items had to be sought in distant places or other towns, but now they are all available within the refugee camp."*[59] This is consistent with PSA accounts of expanded local supply. A Mixed Agri and Livestock Inputs PSA described a shift from being *"a simple service provider to becoming a major supplier in the local agricultural and livestock supply chain,"* and an Agroinputs PSA noted that non-program customers *"now get services from me that they used to seek from faraway places previously."*

Several indicators of program-level supply-side growth document the scale of indirect MSD activity over the program period. In the animal health sector, three private veterinary pharmacies (PVPs) served approximately 14,755 households and treated 22,473 animals, while the network of CAHWs expanded from 15 to over 30, materially extending last-mile delivery into more remote settings. The PVPs themselves grew their business stock value substantially relative to baseline: from approximately ETB 460,012 to ETB 3,250,000 in Kobe (roughly seven-fold), from ETB 710,005 to ETB 2,067,000 in Heloweyn (roughly three-fold), and from ETB 359,683 to ETB 1,321,560 in Melkadida (roughly four-fold). The shoat aggregator partnership in Melkadida purchased 678 shoats from 551 pastoralist households, generating a market value of ETB 3.93 million. Crop value chain support established 56 farming groups (approximately 1,200 farmers) and facilitated market-based input access for 890 farmers. The fodder intervention linked over 1,200 business groups to reliable input suppliers. On financial inclusion, more than 15,000 individuals accessed financial services through PSA engagement, including 1,936 non-beneficiary community members opening accounts and total savings mobilised of over ETB 15.9 million.

The current evidence does not distinguish between DREAMS-supported PSAs and new non-DREAMS market entrants. If the observed improvements partly reflect crowding-in of non-program market actors responding to increased demand, this would further strengthen the case that indirect MSD generated wider market development. Endline 2 will attempt to capture this distinction.

---

57 IDI #89. Female Refugee from Heloweyn (Control)

58 IDI # 81. Female Host from Heloweyn (Control)

59 IDI #64. Female Refugee from Kobe (PG)

Some qualitative respondents reported a significant increase in the number of community members engaging in shoat fattening since DREAMS began. While livestock trading existed previously, it was limited to a few individuals due to capital constraints. One focus group respondent noted, *"At that time [before DREAMS], not many people were trading... now, in every block, there is someone involved in the goat business."* [60]

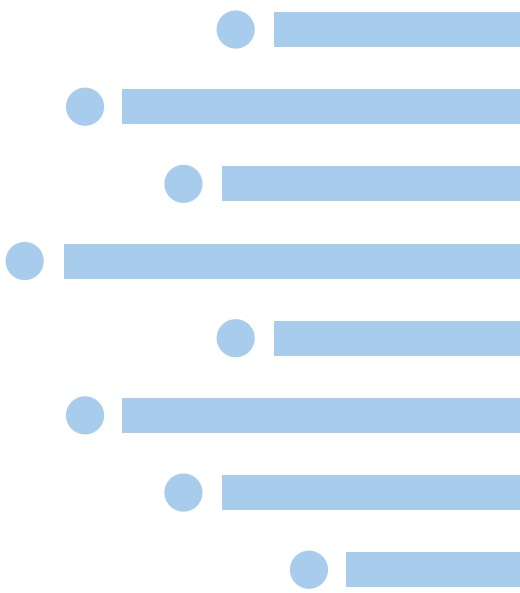
Despite these positive community-level changes, most qualitative respondents across all treatment groups identified inflation as a primary barrier to improving their livelihoods. Rising prices for daily goods and business inputs have partially offset the financial benefits of the new income generated by DREAMS business owners. Participants frequently attributed price increases to external factors, specifically the rising U.S. dollar exchange rate and droughts that limit the local supply of resources such as fodder. One qualitative respondent explained, *"Everything is getting double money due to the dollar...Before, with 20,000 [ETB] you could buy a sack of sugar, but now you carry a paper bag."* [61] [62]

3.3 Key Findings

The DREAMS program generated short- to medium-term economic gains for both PG and FD households. Treatment households reported 9-10% higher monthly consumption (a difference of USD 20.41 for FD and USD 21.53 for PG from control), owned 24-25% more in total assets (USD 214.64 higher for FD and USD 224.89 higher for PG than control), and had over 90% higher savings (USD 17.30 higher for FD and USD 17.61 higher for PG) compared to control households. This indicates that participants successfully translated program support into tangible welfare improvements. Treatment households also reported 15-18% higher monthly income (USD 6.18 higher for PG and USD 7.48 higher for FD), with gains largely driven by higher profits from livestock activities. While overall economic gains were similar across the PG and FD treatment arms, direct market linkages helped FD households accumulate significantly more business assets (USD 18.86 more) than PG households.

In addition to economic impacts, DREAMS produced statistically significant gains in non-economic outcomes. Food insecurity fell modestly, with PG and FD households scoring 0.34 and 0.41 points lower, respectively, on the food insecurity index. Overall well-being improved, with FD seeing larger treatment effects than PG (a 0.21 SD increase versus a 0.14 SD increase relative to control). Finally, women's economic empowerment rose, with female PG and FD respondents scoring 0.03 points and 0.04 points higher on the empowerment index, respectively, driven by greater group participation, economic decision-making, and financial access.

Figure 6 shows treatment effects as standardized effect sizes. Standardized effect sizes allow us to compare the magnitude of effect sizes across outcomes with different units of measurement.

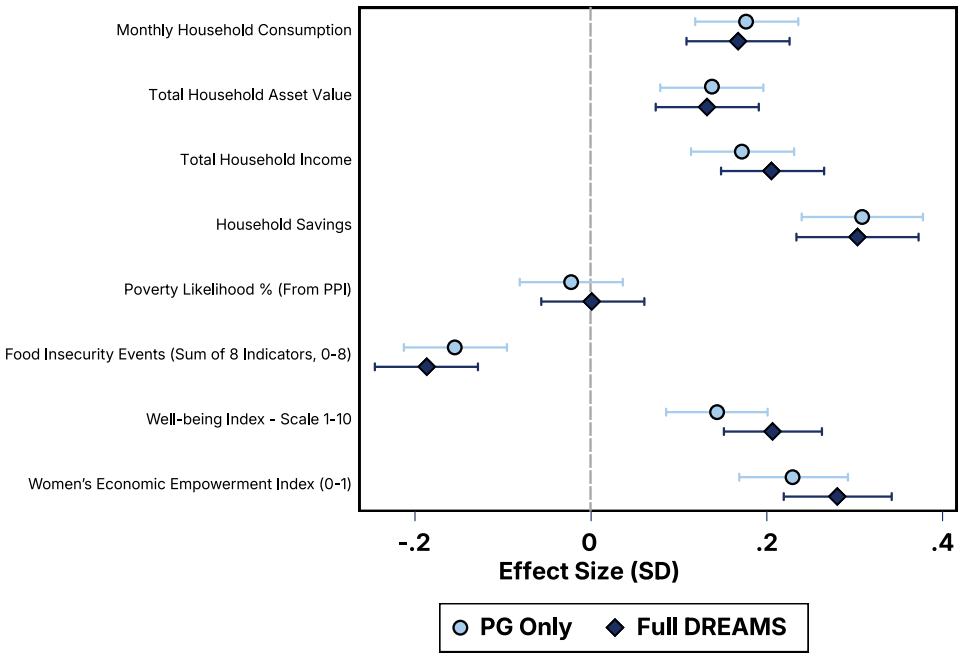


60 FGD #10. Male Refugee from Heloweyn (FD)

61 IDI #20. Male Refugee from Kobe (FD)

62 In the local language a 'paper bag' implies a much smaller bag than a 'sack'.

Figure 6: Standardized Effect Sizes on Key Outcomes



Range bars denote 95% confidence intervals

3.3.1 Consumption

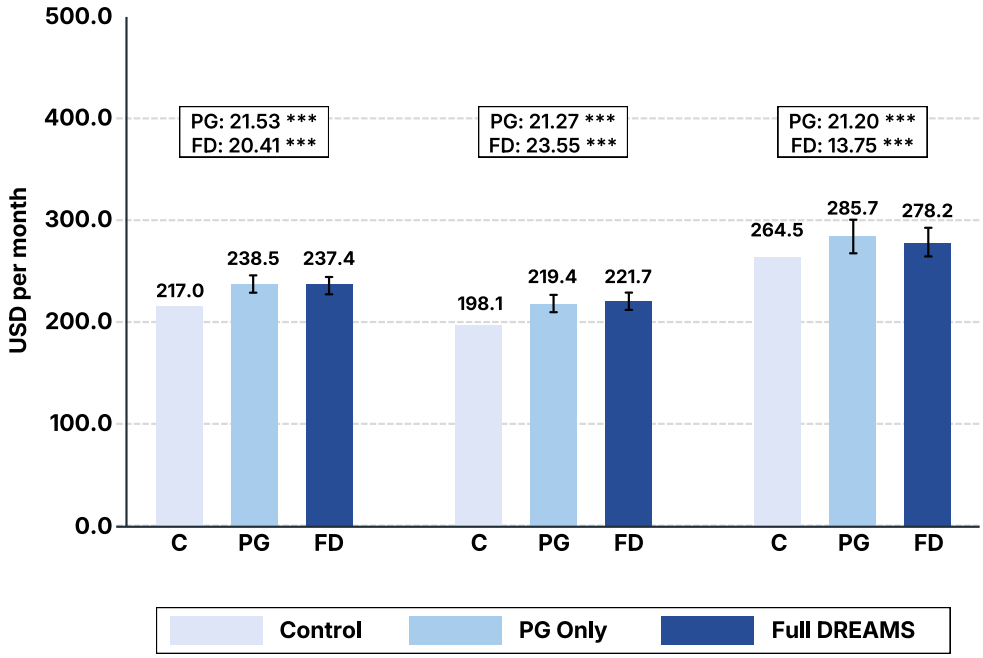
The DREAMS program had a positive, statistically significant impact on household consumption across both the PG and FD treatment arms. As shown in Figure 7, PG households reported an average monthly consumption of USD 238.50, which was USD 21.53 higher than that of control households, representing a 10% difference. FD households reported an average monthly consumption USD 20.41 higher than that of control households, representing a 9% difference. Notably, the difference in household consumption between the PG and FD treatment arms was not statistically significant.[63]

Consumption impacts were broadly similar across refugee and host community households, with one notable exception. Within the FD arm, refugee households experienced larger gains than host community households. Refugee households in FD reported average consumption increases of USD 23.55, compared to USD 13.75 among host community households. This suggests that direct market linkages may have been more effective at unlocking consumption potential among refugees, who had lower baseline consumption, than among host community members.

When examining the specific items driving these overall consumption gains, we find that both treatment arms experienced statistically significant increases in the consumption of high-value, nutritious foods, particularly camel meat and milk, as well as prepared meals consumed outside the home. However, the FD arm saw broader diversification in dietary and non-food spending than the PG arm. FD households recorded significant consumption increases in goat/mutton, cooking oils, pasta/macaroni, bananas, and potatoes, alongside essential non-food items like soap and children's clothing. In contrast, the specific significant gains in the PG arm were more concentrated, driven by staple carbohydrates like rice, as well as discrete non-food investments in men's clothing and furniture. Detailed consumption results are found in Appendix A.

63 According to prices reported by respondents for common items in the area, this effect size would purchase approximately 4kg of goat meat, 25kg of rice, 21kg of sugar, 10 liters of oil, or 100 cups of tea.

Figure 7: Household Monthly Consumption (USD)



Error bars: 95% CI. C=Control, PG=PG Only, FD=Full DREAMS

- p<0.1, ** p<0.05, *** p<0.01

3.3.2 Assets

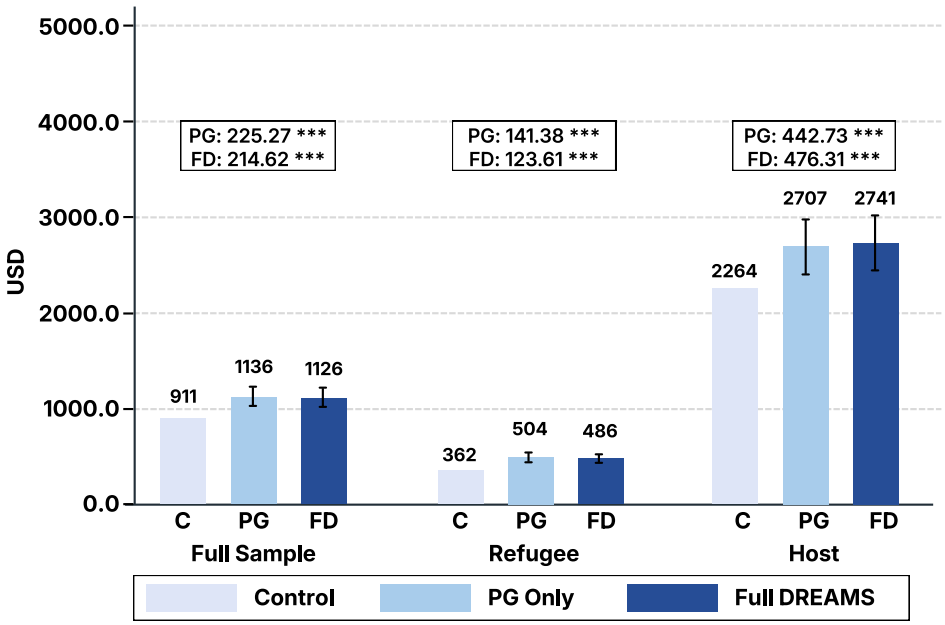
The DREAMS program had a positive and statistically significant impact on total household asset ownership. As shown in Figure 8, PG households reported, on average, USD 225.27 more in total household asset value than control households, representing a 25% difference. Similarly, FD households reported, on average, USD 214.62 more in total household asset value than control households, a 24% difference.

There were no statistically significant differences in household asset values between PG and FD households, with the exception of business assets. FD households had, on average, 17% (USD 18.86) more in business assets than PG households. This accumulation of assets was likely a result of direct market linkages, specifically the provision of input vouchers. By reducing operational costs for essential inputs such as fodder and veterinary medicine, these vouchers may have enabled FD business owners to reinvest capital in more shoat fattening stock.

A within-arm decomposition of the business-assets gap is consistent with this voucher-channel mechanism. The FD-PG difference in business assets was concentrated among shoat-owning households (FD coefficient +USD 22, p=0.01) and was essentially absent among non-shoat-owning households (-USD 22, p=0.53). The gap was largely driven by the extensive margin: FD households were more likely than PG households to hold any business assets (+3.9 percentage points, p<0.01), but conditional on holding any business assets, the FD-PG difference in assets held was not statistically significant (p=0.27). FD households also did not run more businesses on average than PG households. Read together, these patterns were more consistent with a voucher-channel explanation, in which cheaper veterinary inputs and fodder freed up cash to sustain or scale shoat operations, than with FD households deliberately investing more in long-term business growth. We treat this as a possible explanation rather than a definitive one, and will revisit at Endline 2.Treatment effects for host households were more than three times as large in absolute terms as for refugee households (USD 442.73 for PG and USD 476.31 for FD host households, compared to USD 141.38 for PG and USD 123.61 for FD refugee households), yet the relative treatment effect for refugees was nearly twice as large (39% for PG and 34% for FD refugees, compared to 20% for PG and 21% for FD hosts). This divergence was driven by the two groups' different

economic starting points. Control means indicate that host community households had substantially higher baseline asset levels (USD 2,264.24) than refugee households (USD 362.42). Consequently, seed capital grants interacted differently within these groups. For refugee households, the grant directly represented a large proportional increase in wealth (37% on average). However, host households were likely able to leverage the grant alongside existing complementary assets, multiplying its effect and resulting in larger absolute asset accumulation.

Figure 8: Total Household Assets at Endline 1 (USD)



Error bars: 95% CI. C=Control, PG=PG Only, FD=Full DREAMS
- p<0.1, ** p<0.05, *** p<0.01

3.3.3 Income

The DREAMS program had a positive and statistically significant impact on household income. As shown in Table 19, PG households reported, on average, USD 6.05 more in total monthly income than control households, representing a 14% difference. FD households reported, on average, USD 7.24 more in total monthly income than control households, a 17% difference. As with consumption and household assets, there were no statistically significant differences between PG and FD treatment arms.

Income growth was primarily driven by gains in livestock activity, consistent with the strong uptake seen in the shoat fattening value chain. While only 30% of control households reported receiving income from livestock or poultry in the six months prior to being interviewed, 54% of PG and 58% of FD households reported doing so. In addition to higher participation rates, treatment households also generated significantly higher profits in these activities. On average, PG households earned USD 2.10 more, and FD households earned USD 2.58 more than control households.

These findings suggest that DREAMS' income impacts were concentrated in livestock-related activities. In contrast, there were no meaningful increases in profits from other business or farming activities, indicating that income gains were largely driven by engagement in the shoat fattening value chain.

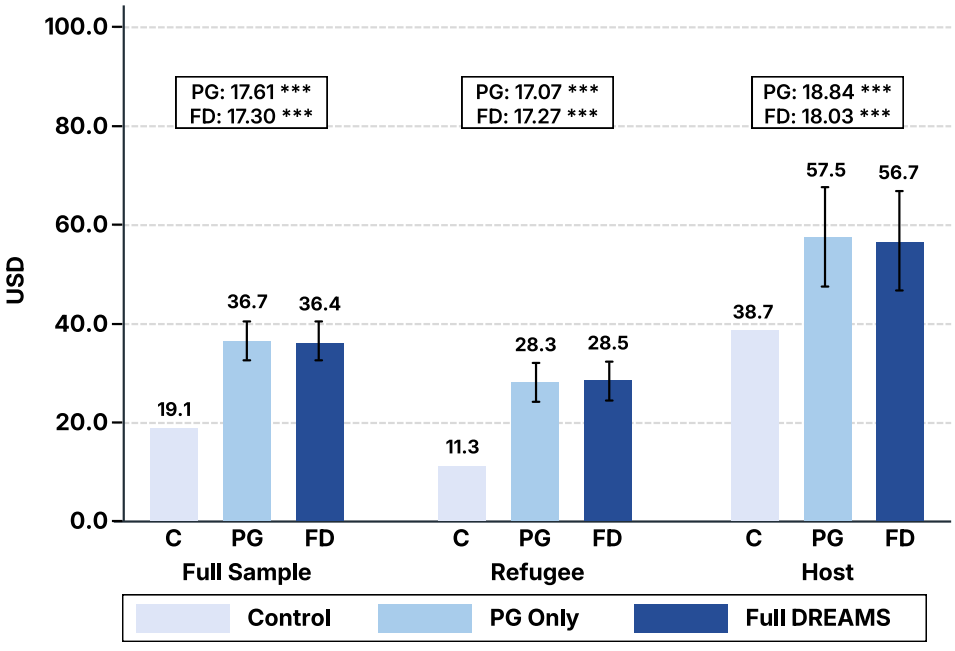
Table 19: Household Income

Variable	Control Mean (N =2047)	ITT PG, All (N =2054)	ITT FD, All (N=2050)	DiD T2-T1
Total Household Income (USD), Winsorized	42.14	6.05 ***	7.24 ***	1.18
Business				
HH engaged in business (Past 6 months)	0.22	0.15 ***	0.20 ***	0.04 ***
Total Monthly HH Business Profit (USD)	2.16	-0.73	-0.06	0.67
Farming				
Cultivated any plot of land in past 12 months	0.30	0.01	0.03 **	0.02
Total monthly farming profit (USD)	2.40	0.87	0.49	-0.38
Livestock				
HH owned or received income from livestock/poultry (6 months)	0.30	0.24 ***	0.28 ***	0.04 **
Total monthly livestock profit (USD)	2.12	2.10 ***	2.58 ***	0.48
Employment				
Someone in HH has worked for pay (30 days)	0.12	0.00	0.00	-0.01
Total Monthly Employment Income (USD), Winsorized	5.55	0.29	-0.26	-0.55
Other				
HH has received gifts from family or friend (12 months)	0.21	-0.03 **	-0.02	0.01
Total Monthly Value of Gifts/Transfers (USD), Winsorized	3.58	0.16	0.29	0.13

3.3.4 Savings

The DREAMS program led to a positive, statistically significant increase in total household savings. PG households reported, on average, USD 17.61 more in accumulated savings than control households, representing a 92% difference. Similarly, FD households reported USD 17.30 more than the control group, a 91% difference. These substantial gains indicate that both PG and FD households have nearly doubled their financial buffers.

Figure 9: Total Household Savings (USD)



Error bars: 95% CI. C=Control, PG=PG Only, FD=Full DREAMS

- p<0.1, ** p<0.05, *** p<0.01

In addition to higher savings levels, households also showed modest shifts in where they stored their savings. Participants in both the PG and FD treatment arms moved away from informal banking methods, with reductions of 5 percentage points for both PG and FD respondents relative to the control group. At the same time, the use of formal financial tools, such as mobile money or bank accounts, increased by 6 percentage points among both PG and FD respondents. However, informal savings remained the dominant mode across all arms: 91% of control households and approximately 86% of PG and FD households kept at least some savings informally at home, with friends or family, or with a shopkeeper. This persistence reflects ongoing constraints around formal banking access discussed elsewhere in the report (low collateral, cash-flow constraints, historical community mistrust of MFIs).

Table 20: Total Household and Business Savings

Variable	Control Mean (N =2047)	ITT PG, All (N =2054)	ITT FD, All (N=2050)	DiD T2-T1
Household Savings (USD), Winsorized	19.06	17.61 ***	17.30 ***	-0.32
Household keeps savings informally at home, friends, family, or shopkeeper	0.91	-0.05 ***	-0.05 ***	0.00
Household keeps savings with SACCOS, ROSCAS, or savings group[64]	0.00	0.01 ***	0.00 ***	-0.00 *
Household keeps savings formally in bank, mobile money account, MFI	0.11	0.06 ***	0.06 ***	0.00
Total Value of Business Savings (USD), Winsorized	5.09	3.34 ***	4.41 ***	1.07
Primary business keeps savings with SACCOS, ROSCAS, or savings group	0.00	0.00	0.00 **	0.00
Primary business keeps savings informally at home, friends, family, or shopkeeper	0.08	0.07 ***	0.09 ***	0.02
Primary business keeps savings formally in bank, mobile money account, MFI	0.05	0.04 ***	0.05 ***	0.01

3.3.5 Food Security

We administered the USAID HHS to respondents, which captures household experiences such as adults or children skipping meals, going without food for a day, consuming less preferred foods, borrowing or purchasing food on credit, or gathering food from other sources. Following the HHS source documentation, we converted responses into a food security index with scores ranging from 0 to 8, where higher values indicate greater food insecurity.

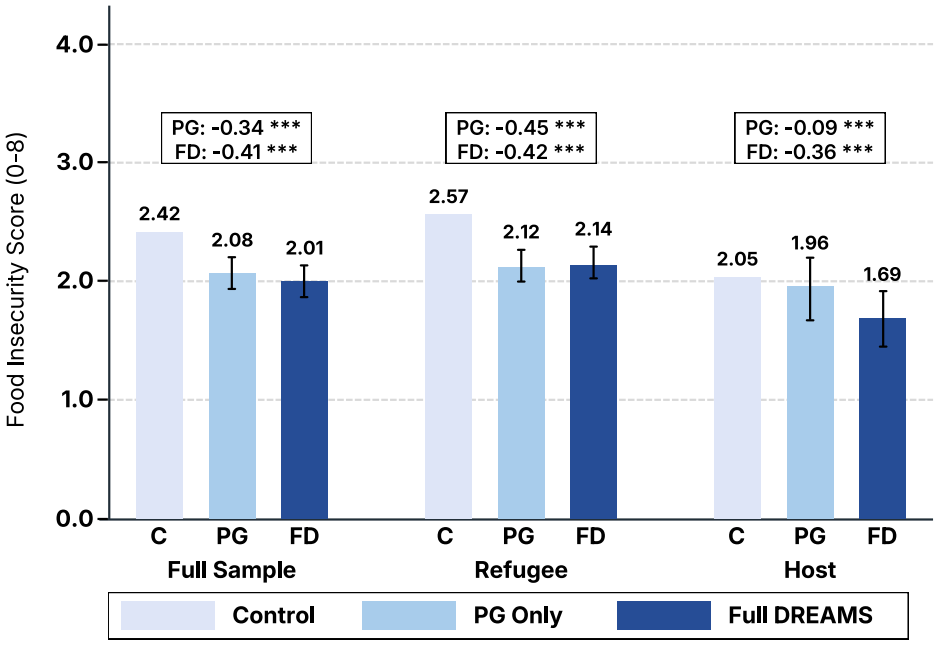
The DREAMS program had a positive, though modest, statistically significant impact on food security, reflected in gains in household consumption. On average, PG households scored 0.34 points lower on the HHS than control households, while FD households on average scored 0.41 points lower. In terms of food insecurity risk, PG households were 6 percentage points less likely and FD households 7 percentage points less likely to be classified as moderately or severely food insecure relative to control households, 32% of whom fell into this category. Consistent with consumption outcomes, there was no statistically significant difference in food security between PG and FD households.

These improvements in household food security were also reflected in better outcomes for children. Children in PG and FD households were statistically significantly less likely to skip meals (-6pp and

64 The very low reported rates of saving with SACCOS, ROSCAS, or savings groups across all arms are likely an artifact of question framing rather than true low uptake. As noted in Section 3.3.8, 74% of PG and 78% of FD respondents reported continuing to save with their BSGs, which should, but evidently did not, register under this question. The Endline 1 questionnaire item (Q4.63) listed "SACCOS, ROSCAS (Merry go-round), other savings groups" as a single response option, and the phrasing likely led respondents to associate it with formal savings vehicles rather than their BSG. We will clarify this in the Endline 2 questionnaire.

-9pp, respectively, from a control baseline of 33%) or go entire days without eating (-4pp and -6pp, respectively, from a control baseline of 23%). Among households that still experienced these events, the frequency was notably lower in the PG and FD treatment arms. Detailed food security index scores can be found in Appendix A.

Figure 10: Household Food Security Index



Error bars: 95% CI. C=Control, PG=PG Only, FD=Full DREAMS
- p<0.1, ** p<0.05, *** p<0.01

3.3.6 Shocks

PG and FD households reported greater resilience to economic shocks. The most frequently reported shocks were injury or health expenses and loss of employment. Overall, households in the PG and FD treatment arms were significantly less likely to report experiencing a shock in the previous year compared to the control group (48%), with reductions of 4 percentage points for PG and 5 percentage points for FD.

Beyond reduced exposure, treatment households were significantly more likely to express confidence in their ability to cope with future shocks (+4 pp for PG and +3 pp for FD from 15% of control) and were actively making adaptations to do so. The most common strategy reported was increasing financial savings, which rose by 4 percentage points for both PG and FD groups.

Table 21: Experience with Shocks

Variable	Control Mean (N =2047)	ITT PG, All (N =2054)	ITT FD, All (N=2050)	DiD T2-T1
HH reports experiencing shock (12 months)	0.48	-0.04 **	-0.05 ***	-0.02
Type of Shock Experienced				
Death in HH	0.11	0.00	-0.01	-0.01
Loss of Employment	0.14	-0.04 ***	-0.06 ***	-0.02 *
Loss of Crop	0.13	0.01	0.00	-0.01
Theft of livestock	0.01	0.01 **	0.00	-0.01 **
Loss of cash/food assistance	0.07	0.00	-0.01	-0.01 *
Injury, health expense	0.16	-0.02 *	-0.01	0.01

Theft of personal property	0.00	0.00	0.00 **	0.00
Other	0.01	0.01 *	0.01	0.00
Shock Support				
HH reports getting needed support during shock	0.13	0.02	0.02 **	0.01
Shock support received from...				
Family	0.10	0.01	0.02 **	0.01
Community	0.06	0.00	0.02 **	0.01 *
Private Business	0.01	0.00	0.00	-0.00 *
Non-profit	0.01	0.01 **	0.01 **	0.00
Local Gov't	0.00	0.00	0.00 *	0.00
Other	0.00	0.00	-0.00 *	0.00
Future shocks				
HH believes they will be able to cope with future shocks	0.35	0.04 ***	0.03 **	-0.01
HH reports making adaptations in expectation of future shocks	0.15	0.04 ***	0.03 ***	-0.01
Way to adapt to future shock				
Increased Financial Savings	0.09	0.04 ***	0.04 ***	0.00
Increased Savings via Property	0.03	0.03 ***	0.02 ***	-0.01
Diversifying/Increasing crops	0.02	0.01 *	0.01	0.00
Diversifying/Increasing Livestock	0.01	0.01 *	0.01	0.00
Increased Security	0.01	0.00	0.00	0.00

3.3.8 Financial Inclusion

The DREAMS program had a modest impact on financial inclusion, driven by increased uptake among refugee households. Mobile money was the most common financial tool across all groups, with usage rising from 68% for control respondents to 73% among PG and FD respondents. Uptake of formal banking remained low; however, PG and FD households showed slight, statistically significant increases (+4 pp and +2 pp, respectively, from 7% in the control). This reflects the community's district of banking institutions noted by financial PSAs.

While few respondents reported using "community savings groups," 74% of PG and 78% of FD participants reported continuing to save with their BSGs. This discrepancy suggests that respondents did not view their BSGs as community savings groups, indicating that this figure is likely underreported.

Table 22: Treatment Effects on Financial Inclusion

Variable	Control Mean (N =2047)	ITT PG, All (N =2054)	ITT FD, All (N=2050)	DiD T2-T1
HH Uses Any Financial Services	0.78	0.06 ***	0.04 ***	-0.01
Type of Financial Service Used				
Formal (MFI/bank)	0.07	0.04 ***	0.02 **	-0.02 **
Mobile Money	0.68	0.05 ***	0.05 ***	0.00
Community Savings Group	0.05	0.05 ***	0.05 ***	0.01
Borrowing from PSAs	0.02	0.00	0.00	0.00
Other	0.02	-0.01	-0.01 **	0.00
Type of Financial Challenges Faced				
None	0.76	0.03 **	0.03 **	0.00

Lack of Collateral	0.11	-0.01	-0.01	0.00
Too much admin	0.02	0.00	0.00	0.00
Weak cash flow	0.10	-0.01	-0.01	0.00
Distance	0.03	0.01	0.00	-0.01
Other	0.02	0.00	0.00	0.00

3.3.9 Well-being

The DREAMS program had a modest but statistically significant impact on well-being. As shown in Table 23, PG respondents scored, on average, 0.2 points higher than the control group on the 1-10 index, equivalent to a 2.3% increase and a 0.14 standard deviation increase. FD respondents scored on average 0.29 points higher than the control group, equivalent to a 3.4% increase and a 0.21 standard deviation increase. The 0.09-point difference between FD and PG respondents is statistically significant, suggesting that the direct market linkages offered in FD may lead to greater well-being than PG alone. This difference may reflect the larger stock and inventory held by FD businesses, as well as higher perceived well-being among FD respondents, who may feel they gained more from the program's additional components. PG and FD respondents reported, on average, feeling happier (+0.17 and +0.20 points, respectively), healthier (+0.14 and +0.19 points), experiencing greater agency (+0.22 and +0.30 points), and being significantly more satisfied with their financial situation (+0.27 and +0.45 points) compared to the control group. This indicates that the economic gains from DREAMS businesses translated into greater overall well-being, as further reflected in significant increases in general life satisfaction for both PG (+0.19) and FD (+0.30) participants.

It is worth noting that the reported scores among control respondents are higher than one might expect. This might reflect cultural or religious norms around contentment and life expectations, a misunderstanding of the question, or some other underlying factor.[65]

Table 23: Well-being Index Scores

Variable	Control Mean (N =2047)	ITT PG, All (N =2054)	ITT FD, All (N=2050)	DiD T2-T1
Well-being Index - Scale 1-10	8.62	0.20 ***	0.29 ***	0.09 **
Standardized: Well-being Index - Scale 1-10	0.00	0.14 ***	0.21 ***	0.06 **
Happiness Scale 1-10, 10 = Very Happy	9.10	0.17 ***	0.20 ***	0.03
Health Scale 1-10, 10 = Very Good	8.80	0.14 ***	0.19 ***	0.06
Free choice - 1: No choice; 10: Great deal of choice	8.75	0.22 ***	0.30 ***	0.08
Life satisfaction - 1: Completely dissatisfied; 10: Completely satisfied	8.52	0.19 ***	0.30 ***	0.10 *
Finance satisfaction - 1: Completely dissatisfied; 10: Completely satisfied	7.94	0.27 ***	0.45 ***	0.18 **
Frequency of feeling unsafe in last 12M: Rarely/Sometimes	0.05	0.00	0.00	0.00
Frequency of feeling unsafe in last 12M: Often/Always	0.13	-0.01	-0.01	0.00
Frequency of going without medicine in last 12M: Rarely/ Sometimes	0.31	-0.02	-0.04 ***	-0.02 *
Frequency of going without medicine in last 12M: Often/Always	0.20	-0.02 *	-0.01	0.01
Frequency of going without shelter in last 12M: Rarely/Sometimes	0.09	-0.01	-0.01	0.00
Frequency of going without shelter in last 12M: Often/Always	0.11	-0.01	0.00	0.01

65 Responses were recorded on a scale (typically 1–10). Enumerators utilized visual aids with simple icons anchoring each end of the scale to help clarify the options for respondents.

Respondent Feels Better Off Than Parents	0.72	0.09 ***	0.11 ***	0.03 **
Respondent Feels Worse off Than Parents	0.22	-0.07 ***	-0.10 ***	-0.03 ***
Respondent Feels at the Same standard of Living as Parents	0.06	-0.02 ***	-0.01 **	0.00

3.3.10 Social Cohesion

The DREAMS program had minimal or no effects on the reported relationships between refugees and host community members, possibly because they were already positive. Notably, there was no adverse effect on their relationships. As seen in Tables 24 and 25, approximately 98% of refugee respondents across treatment arms reported positive relationships with their host communities, and 99% of host households reported positive relationships with refugees. Both host and refugee participants in the PG and FD treatment arms were slightly more likely than control households to engage in business transactions with members of the other community. This likely reflects the increased business activity generated by DREAMS participants, which created more opportunities for cross-community engagement.

Qualitative interviews reinforced these findings. Respondents described relations between refugees and host communities as "good", "peaceful", and "brotherly", characterized by social integration, intermarriage, and shared cultural and religious values. Where improvements in social cohesion were reported, they were often attributed to the DREAMS program, specifically through joint business training and increased business activity. Some qualitative respondents noted that interacting in the marketplace built familiarity between refugees and host communities and strengthened trust.

Table 24: Refugee-Host Relationships Reported by Refugee Respondents

Variable	Ctrl Mean, Refugee (N=1465)	ITT PG, Refugee (N=1484)	ITT FD, Refugee (N=1484)	DiD T2-T1, Refugee
Refugee respondent has interacted with Host	0.67	0.02	0.03 *	0.01
Host community interacted with...				
Lives nearby	0.36	0.02	0.02	0.01
Friend	0.41	0.00	0.00	0.00
Business transaction	0.21	0.09 ***	0.08 ***	-0.01
School/training	0.11	0.03 ***	0.03 ***	0.00
Family member/spouse	0.03	0.01	0.01 *	0.01
Church/mosque	0.05	0.02 *	0.02 **	0.01
Colleague/business partner	0.05	0.01 *	0.02 ***	0.01
Other	0.01	0.00	0.00	0.00
Relationship between Refugee and Host				
Relationship between Refugee and Host is good (Yes)	0.98	-0.01	0.00	0.01
Relationship has improved between Refugees and Host Community	0.84	0.01	0.02	0.01
Ethiopia Nationals and Refugees respect each other	0.96	-0.01	0.00	0.01
Can trust Refugees 1-5 scale	-0.44	1.54	-0.81	-2.35
Can trust Host Community 1-5 scale	4.34	0.02	0.05 **	0.03

Table 25: Refugee-Host relationships reported by Host Community Respondent

Variable	Ctrl Mean, Host (N=582)	ITT PG, Host (N=570)	ITT FD, Host (N=566)	DiD T2-T1, Host
Host respondent has interacted with refugee	0.70	0.08 ***	0.05 **	-0.02
Refugee community interacted with...				
Lives nearby	0.53	-0.05	-0.08 **	-0.03
Friend	0.64	-0.01	0.00	0.01
Business transaction	0.34	0.10 ***	0.17 ***	0.07 **
School/training	0.17	0.02	0.04	0.02
Family member/spouse	0.08	0.00	0.01	0.01
Church/mosque	0.12	0.00	0.02	0.03
Colleague/business partner	0.10	-0.01	-0.02	-0.01
Other	0.01	0.01	0.02 **	0.01
Relationship between Host and Refugee				
Relationship between Refugee and Host is good (Yes)	0.99	-0.01	0.00	0.01 *
Relationship has improved between Refugees and Host Community	0.85	0.02	0.01	-0.01
Ethiopian Nationals and Refugees respect each other	0.98	0.01	0.01	0.00
Can trust Refugees 1-5 scale	4.38	0.07 *	0.05	-0.02
Can trust Host Community 1-5 scale	0.95	0.37	-0.33	-0.70

3.3.11 Women's Empowerment

The DREAMS program aims to promote women's economic empowerment by increasing women's agency, access to resources, and participation in economic activities. To measure progress in these areas, we developed a customized version of the Pro-WEAI tailored to the DREAMS context. The adapted tool focuses on key dimensions of empowerment, including agency, access to resources, and social norms/ cultural barriers.

The DREAMS program had a modest positive impact on women's economic empowerment. Female PG respondents scored higher on the women's economic empowerment index, increasing by 0.03 points on a 0-1 scale (0.23 standard deviations). FD respondents scored 0.04 points higher on the scale (0.28 standard deviations), but there is no statistically significant difference between PG and FD empowerment scores. Both PG and FD gains in economic empowerment were primarily driven by increases in the number of activities women participate in (+0.04 and +0.05 points, respectively), economic decision-making (+0.03 and +0.05 points), and access to financial services (0.04 points for both PG and FD respondents).

Qualitative interviews support these trends, with many women expressing that increased business activity has led to greater self-reliance and confidence. While explaining why her opinion is now valued within her family, one female respondent explained, *"Because I gained business knowledge, and my ideas are now important to the family."* [66]

66 IDI #5. Female Refugee from Melkadida (FD)

Table 26: Women's Economic Empowerment Index (Female Only)[67]

Variable	Control Mean (N =1851)	ITT PG, All (N =1863)	ITT FD, All (N=1866)	DiD T2-T1
Women's Economic Empowerment Index (0-1)	0.26	0.03 ***	0.04 ***	0.01
Standardized: Women's Economic Empowerment Index (0-1)	0.00	0.23 ***	0.28 ***	0.05
WEE: Total Number of Economic Activities[68] Participating in	0.20	0.04 ***	0.05 ***	0.01 **
Economic Decision-Making Index (0-1)	0.17	0.03 ***	0.05 ***	0.01 **
Asset Control Index (0-1)	0.18	0.02 ***	0.01 ***	0.00
Financial Service Index (0-1)	0.19	0.04 ***	0.04 ***	0.00
Important Places Index (0-1)	0.40	0.03 ***	0.04 ***	0.01 **
Number of groups where HH is active member[69]	1.19	0.25 ***	0.30 ***	0.05
Total Community Groups Available in Area[70]	2.53	0.24 ***	0.23 ***	-0.01
Group Membership Index (0-1)	0.38	0.04 ***	0.05 ***	0.01

DREAMS had modest impacts on female participants' perceptions of social norms and spousal relationships. Spousal dynamics were unaffected by DREAMS, primarily because nearly all female respondents already reported positive relationships with their spouses. Impact on gender norms was mixed: while female PG respondents were slightly more likely to endorse women working outside the home (+3 pp) and succeeding in business (+3 pp), FD respondents showed no significant changes. Conversely, both PG and FD females were slightly less likely to believe it is acceptable for women to do jobs traditionally done by men (-0.06 pp for PG, -0.03 pp for FD), and PG females were slightly less likely to endorse women deciding how to use household income (-3 pp).

Table 27: Treatment Effects on Social Norms and Spousal Relationships (Female Only)

Variable	Control Mean (N =1851)	ITT PG, All (N =1863)	ITT FD, All (N=1866)	DiD T2-T1
Respects Spouse: Never, Rarely, Sometimes	0.01	0.00	0.01	0.00
Respects Spouse: Often, Always	0.99	0.00	-0.01	0.00
Spouse Respects You: Never, Rarely, Sometimes	0.02	0.00	0.00	0.00
Spouse Respects You: Often, Always	0.98	0.00	0.00	0.00
Trusts Spouse: Never, Rarely, Sometimes	0.06	-0.01	-0.01	0.00
Trusts Spouse: Often, Always	0.94	0.01	0.01	0.00
Can tell spouse you disagree: Never, Rarely, Sometimes	0.27	0.02	0.02	0.00
Can tell spouse you disagree: Often, Always	0.73	-0.02	-0.02	0.00
Positive Norm for Women working outside home	0.64	0.03 *	0.02	-0.01
Positive Norm for Women being good at business	0.81	0.03 **	0.01	-0.02 *
Positive Norm for Women doing jobs traditionally for men	0.55	-0.06 ***	-0.03 *	0.03
Positive Norm for Women can decide how to use income	0.51	-0.03 *	-0.03	0.00

67 All female primary survey respondents completed the entire WEE module. For surveys with male respondents, a female decision maker in the household was requested to complete this portion of the survey.

68 Economic activities here refers to the set of livelihood and productive activities captured in the Pro-WEAI instrument, including farming, livestock rearing, non-farm business operation, waged labor, and other activities listed in the questionnaire.

69 Includes BSGs, savings groups (SACCOS, ROSCAs), producer/farmer associations, women\'s groups, religious groups, and other civic or community organizations in which the household has at least one active member. Drawn from the Pro-WEAI Group Membership module.

70 Total number of groups of the categories listed above operating in the respondent's community, regardless of household membership. Denominator for the Group Membership Index below.

DREAMS had modest impacts on male participants' perceptions of social norms and spousal relationships. Similar for female respondents, spousal dynamics were largely unaffected by DREAMS. This is likely because nearly all male respondents already reported positive relationships with their spouses, though there were very slight decreases in reported respect (-1 pp for both PG and FD) and trust (-3 pp for PG). Impact on gender norms was minimal: while male PG respondents were slightly more likely to endorse women succeeding in business (+5 pp), FD respondents showed no significant change. Neither PG nor FD males showed significant changes in their beliefs regarding women working outside the home, taking on jobs traditionally done by men, or deciding how to use household income.

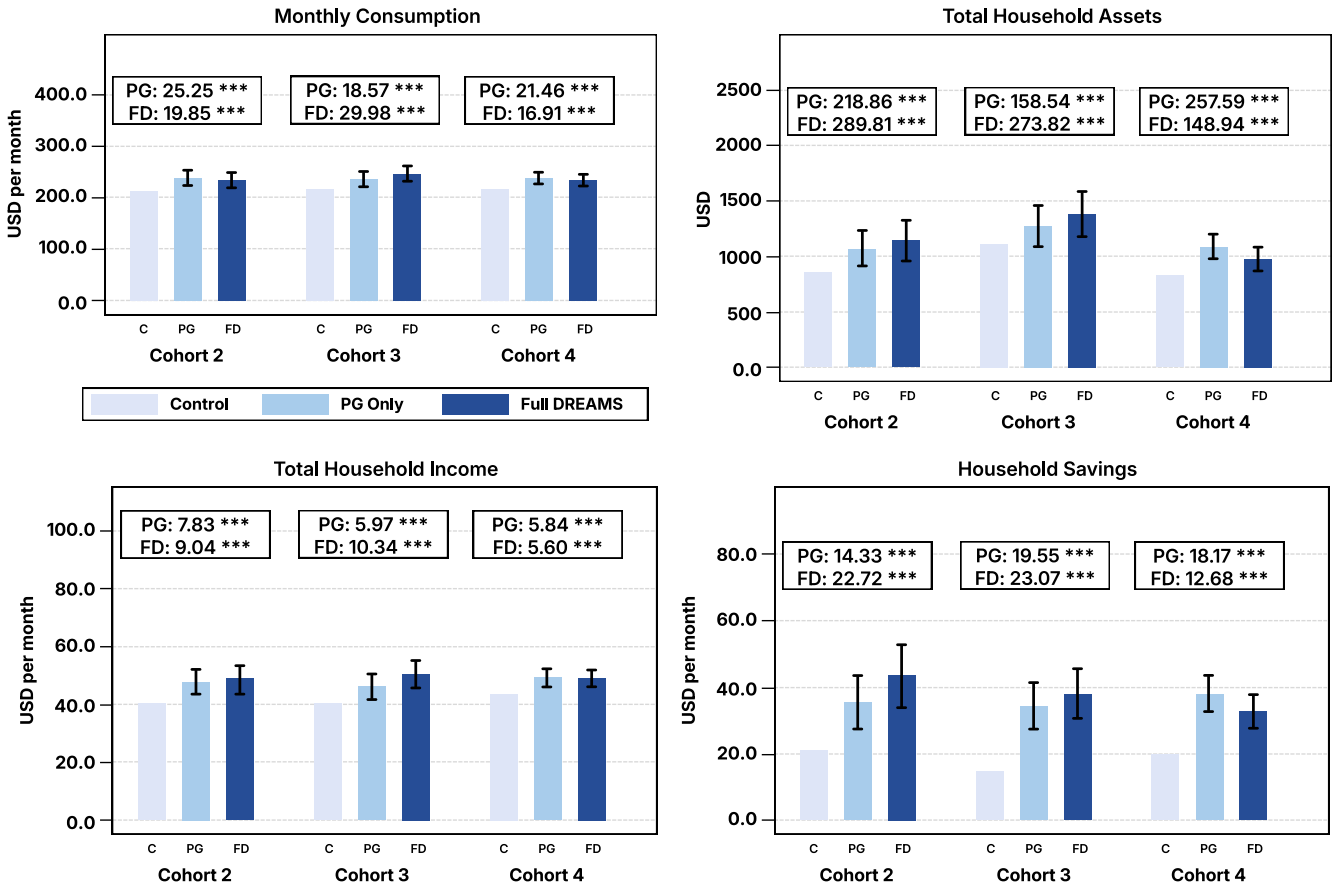
Table 28: Treatment Effects on Social Norms and Spousal Relationships (Male Only)

Variable	Control Mean (N =1851)	ITT PG, All (N =1863)	ITT FD, All (N=1866)	DiD T2-T1
Respects Spouse: Never, Rarely, Sometimes	0.00	0.01 **	0.01 **	0.00
Respects Spouse: Often, Always	1.00	-0.01 **	-0.01 **	0.00
Spouse Respects You: Never, Rarely, Sometimes	0.01	0.00	0.01	0.00
Spouse Respects You: Often, Always	0.99	0.00	-0.01	0.00
Trusts Spouse: Never, Rarely, Sometimes	0.03	0.03 *	0.00	-0.03 **
Trusts Spouse: Often, Always	0.97	-0.03 *	0.00	0.03 **
Can Tell Spouse You Disagree: Never, Rarely, Sometimes	0.28	-0.05	0.00	0.05
Can Tell Spouse You Disagree: Often, Always	0.72	0.05	0.00	-0.05
Positive Norm for Women Working Outside Home	0.66	-0.05	-0.03	0.03
Positive Norm for Women Being Good at Business	0.76	0.05 *	0.04	-0.01
Positive Norm for Women Doing Jobs Traditionally for Men	0.53	0.02	0.05	0.03
Positive Norm for Women Can Decide How to Use Income	0.44	-0.01	-0.02	0.00

3.4 Cohort-Wise Effects

The DREAMS program had consistent, positive economic impacts across all participant cohorts, suggesting its sustainability over time. When comparing study cohorts 2, 3, and 4, there were no meaningful differences in overall effectiveness, except for FD in cohort 4, which showed smaller treatment effects than in earlier cohorts (Figure 11). Despite this variation, households in both the PG and FD treatment arms achieved statistically significant gains relative to the control group across key financial indicators in all cohorts. The overall consistency across cohorts suggests that the program's support translated into tangible economic benefits for households, sustained over the short- to medium-term. Cohort-wise effects for all key welfare incomes are presented in Appendix A.

Figure 11: Cohort-Wise Treatment Effects



Error bars: 95% CI. p<0.1, ** p<0.05, *** p<0.01
Cohort 2 = finished ~1 year ago. Cohort 4 = recently completed.

4. COST-EFFECTIVENESS ANALYSIS

This section presents a cost-effectiveness analysis (CEA) of the DREAMS Ethiopia program using impact data from the DREAMS RCT, cost data provided by Village Enterprise and Mercy Corps, and the modelling assumptions described below. The analysis finds that both treatment arms are cost-effective. If program impacts are sustained for five years, the PG arm yields a benefit-cost ratio (BCR)[71] of 2.78x and the FD arm yields a BCR of 2.48x, meaning that the monetized value of consumption and asset gains exceeds program costs by a factor of two to three. Both arms break even within Year 1 even with no further sustainability of impacts (Year-1 BCR: PG 1.12x; FD 1.05x).

A central finding is that adding the direct MSD component on top of poverty graduation and indirect MSD **increases per-household costs by USD 51 without producing a commensurate increase in measured economic benefits at Endline 1.** Thus, in the short- to medium-term, the PG arm has a higher BCR than the FD arm. As discussed in Section 5.2, however, this should not be read as evidence that MSD does not work in Dollo Ado: PG households appear to have benefited from the same market systems strengthening that lifted FD outcomes (notably through the strengthened shoat-fattening value chain), so the MSD activities are likely supporting both arms. For the purposes of our CEA, we allocated the same per-household cost of indirect MSD activities to PG and FD households. What the CEA shows is that the incremental cost of direct market linkages (e.g., vouchers and value chain-specific training) was not justified by the additional short- to medium-term gain over and above PG.

These initial cost-effectiveness estimates are based on impact data collected at Endline 1, three to twelve months after the conclusion of the program. We will update these estimates following Endline 2 in 2026; that round will sharpen our assumptions about the sustainability of impacts in the two treatment arms.

4.1 Approach to Cost-Effectiveness Analysis

Our CEA seeks to answer the following question:

If VE and MC were to run a new DREAMS program in a similar environment, what would be the expected return on investment in terms of economic outcomes of participating households, and how does that BCR change when the direct MSD component is layered on top of poverty graduation?

The three-arm design of DREAMS Ethiopia (control, PG, FD) is well suited to this question because it allows us to separately estimate the BCR of each treatment package against the same control group, and to isolate the marginal cost-effectiveness of direct market linkages.

Our overarching principles for CEA were (i) to be **conservative** in our assumptions (not overstating impacts or understating costs), and (ii) to be **transparent** in our assumptions (clearly stating and justifying model parameters and indicating our level of uncertainty). We drew on several resources to guide our approach, but especially J-PAL's resources on CEA (link) and the Livelihood Impact Fund's approach to estimating return on investment (link). The methodology is also intentionally aligned with the DREAMS Uganda Endline 1 CEA so that the two reports can be read as direct companions.

We report cost-effectiveness in terms of the BCR: the total economic benefits of the program above the status quo (quantified in USD) divided by the costs of implementing the program. Our preferred estimate

71 This is mathematically equivalent to the return on investment (ROI) measure used in the DREAMS Uganda Endline 1 Report: total program benefits divided by total program costs.

of benefits combines the treatment effect on household consumption with the treatment effect on net assets:

$$BCR_{arm} = \frac{NPV\ of\ consumption\ effect_{arm} + Net\ assets\ effect_{arm} \ (+ spillovers_{arm})}{VE\ cost\ per\ household_{arm} + MC\ cost\ per\ household_{arm}}$$

BCR is computed separately for the PG and FD arms, using the arm-specific treatment effect in the numerator and the arm-specific cost in the denominator. We also disaggregate BCR by household type (refugee or host). Because cost data cannot be reliably disaggregated by household type, we assume that average per-household costs are similar across subgroups within each arm.

4.2 Estimating Benefits

We estimate program benefits using ITT treatment effects from the DREAMS Ethiopia RCT, Endline 1. Our preferred estimate of benefits comes from treatment effects on household consumption and net assets.[72] We prefer consumption over income or other metrics because consumption captures a broader range of impact channels, including changes in agricultural production for own use, gifts, and remittances, and it is generally less affected by seasonal variation. We include net assets to account for changes in household wealth, including durable assets, savings, and debt (both household-held and the household's share of business assets, savings, and debt). As a secondary measure, we also report cost-effectiveness based on income, which is commonly used by other organizations and funders, though we consider it a less reliable indicator of welfare in this context.

Table 29: Treatment Effects Used in the CEA (USD, ITTs)

Outcome	PG All	PG Refugees	PG Hosts	FD All	FD Refugees	FD Hosts
Monthly Household Consumption (durables-adjusted)	21.37 ***	21.47 ***	20.13 ***	20.32 ***	23.63 ***	13.20 *
Net Asset Value	289.58 ***	201.73 ***	507.18 ***	322.32 ***	216.73 ***	612.56 ***
Total Household Monthly Income	6.05 ***	5.95 ***	6.61 ***	7.24 ***	7.82 ***	6.34 ***

*Significance: *** p<0.01, ** p<0.05, * p<0.1. The host-sample FD consumption coefficient is significant at the 10% level (p = 0.066). Income is reported for context but is not used in our preferred BCR calculation.*

We make two key projection assumptions, both intentionally conservative. First, we assume that the monthly consumption effect persists at the Endline 1 level in all subsequent years and does not grow over time. We then convert it to an annual flow (multiplied by 12) and discount it. Second, we treat the net assets effect as a one-time stock measured at Endline 1, rather than recurring. We do not assume any continuing program costs in subsequent years (no recurring costs after the implementation period).

We applied a 10% annual discount rate, the most common rate we have observed in CEAs of programs in low-resource settings, applied to consumption effects accruing after Year 1. In the discussion below, we present the sensitivity of BCR to different discount rates. The asset effect is not discounted, since it is measured as a stock at Endline 1.

72 The consumption aggregate used here differs from the one reported in Section 3 for impact estimation. For the CEA we removed three items from the consumption aggregate: furniture, bicycles and motorcycles, and household appliances purchased in the last year. These durable goods are also captured in the net assets variable, and would otherwise be double-counted when consumption and asset effects are added together in the BCR numerator. The adjusted aggregate is converted to USD using the LCMS multiplier and winsorised at the 2.5% and 97.5% level, consistent with the approach used elsewhere in the report. The unadjusted consumption variable remains the primary outcome reported in Section 3; the adjusted version is used only for the CEA. The adjustment is small in magnitude. For example, the PG-All consumption coefficient shifts from USD 21.53/month (unadjusted) to USD 21.37/month (adjusted).

4.3 Estimating Costs

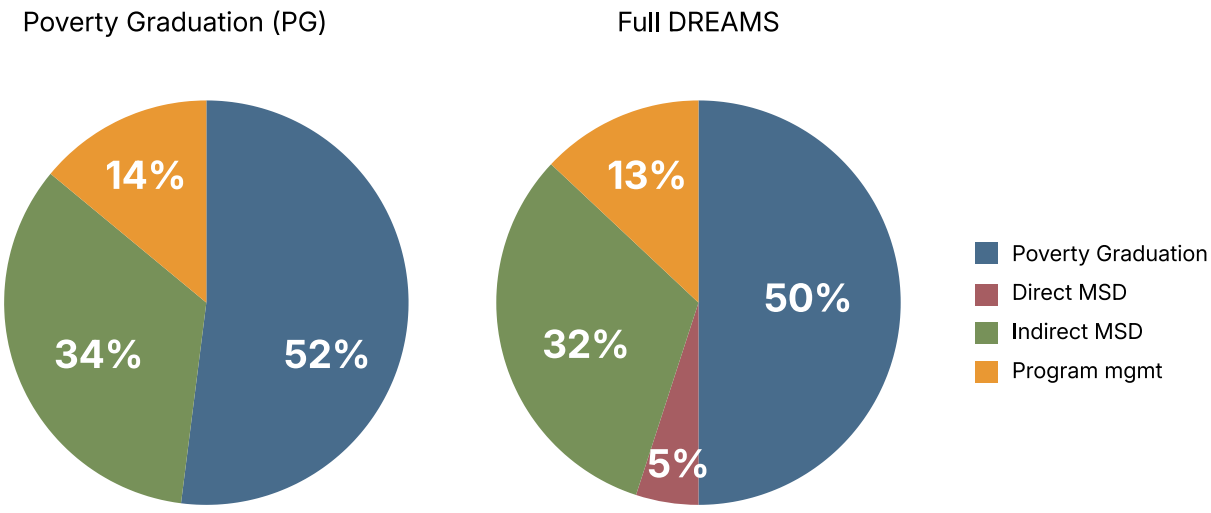
We estimate program costs from data shared by Village Enterprise and Mercy Corps. Some costs were specific to the study cohorts (targeting, training, mentoring, and business grants); others, including personnel, MSD activities, M&E, office administration, and indirect costs, were spread across cohorts and prorated to the study cohorts.

Mercy Corps costs are split between "indirect MSD" activities (which support the wider market system and therefore may benefit both PG and FD households) and the incremental costs of "direct MSD" activities (which only reach FD households). Indirect MSD costs comprise sub-grants to local agencies (USD 204,540), staff time, programmatic oversight, market-system analysis, M&E, and the institutional indirect cost recovery rate (15%), and total USD 1,720,643. Direct MSD costs comprise USD 273,050 across the program and primarily are vouchers, participant support costs, materials and supplies, and a small share of staff time directly engaged in value-chain delivery.

The per-household cost of the PG arm is USD 488.23, and the per-household cost of the FD arm is USD 539.04, an incremental cost of USD 50.81 for the direct MSD component. The PG figure combines Village Enterprise study-cohort costs (USD 329.09 per household, drawn from total VE costs of USD 1,578,650 across 4,797 households randomized across the PG and FD arms in the study cohorts) with the indirect MSD costs allocated to PG households (USD 159.14 per household, drawn from total indirect MSD costs of USD 1,720,643 spread across all 10,812 program participants). The FD figure adds the direct MSD cost (USD 50.81 per household, drawn from total direct MSD costs of USD 273,050 spread across the 5,374 FD program participants) on top of the same VE and indirect MSD base. We consider both estimates conservative for a scaled program, since some costs (particularly MSD-related costs) would not scale proportionally with the number of households directly enrolled in poverty graduation.

Figure 12 shows how costs are divided across categories for each arm. Program management costs include global personnel salaries, M&E costs, office costs, and other overhead.

Figure 12: Program Costs



4.4 Cost-Effectiveness Estimates

Our preferred cost-effectiveness estimate uses the consumption and net asset treatment effects from Table 30, applies a 10% annual discount rate to consumption effects accruing after Year 1, and treats the asset effect as a one-time stock measured at Endline 1. Table 30 reports the resulting BCR under different assumptions about how long program impacts are sustained; or in other words, how many years the Endline 1 consumption effect persists.

Table 30. DREAMS Ethiopia Benefit-Cost Ratio by Sustainability Horizon

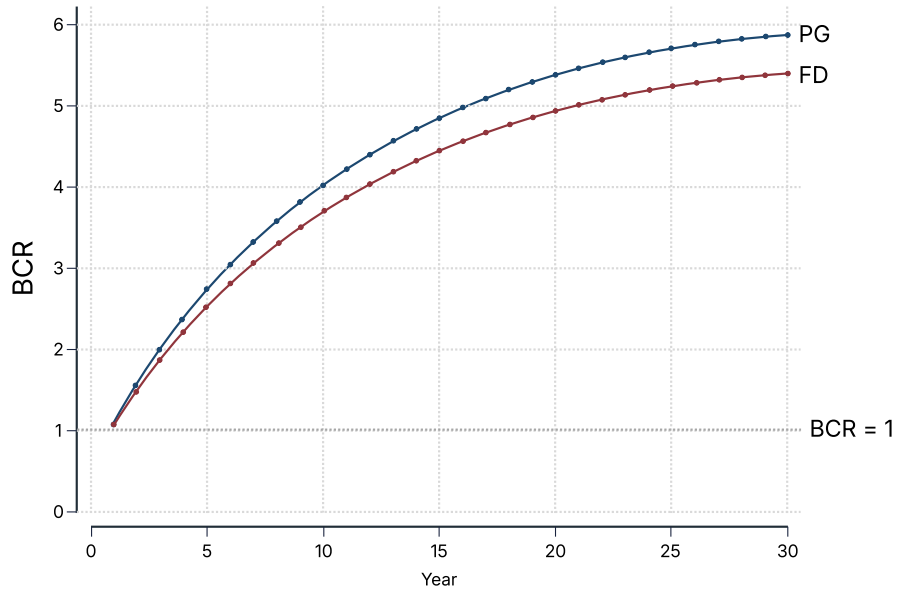
Year	PG (All)	PG (Refugees)	PG (Hosts)	FD (All)	FD (Refugees)	FD (Hosts)
1	1.09x	0.92x	1.50x	1.07x	0.95x	1.46x
2	1.56x	1.39x	1.94x	1.49x	1.44x	1.74x
3	1.98x	1.81x	2.34x	1.88x	1.88x	1.98x
4	2.37x	2.29x	2,71x	2.22x	2.29x	2.21x
5	**2.72x**	**2.55x**	**3.03x**	**2.54x**	**2.65x**	**2.41x**

Source: DREAMS Ethiopia CEA model. 10% annual discount rate applied to consumption effects accruing after Year 1; asset effect treated as a one-time stock; no spillovers assumed.

Both arms generate positive returns to investment in the short to medium term. Both programs break even within Year 1: even if program impacts dissipated entirely after the first year, the monetary value of the consumption and asset gains observed at Endline 1 would already exceed program costs (Year-1 BCR: PG 1.12x; FD 1.05x). If impacts are sustained for five years, PG returns USD 2.78 in benefits for every USD 1 invested, and FD returns USD 2.48.

The PG arm has a marginally higher BCR than the FD arm at every sustainability horizon we model. Total benefits are very similar across the two arms. The FD arm has a slightly larger asset effect (USD +33 per household) and a slightly smaller monthly consumption effect (USD −1.05), but FD costs USD 51 more per household. Because the benefit difference does not quite offset the cost difference, layering the direct MSD component on top of PG produces a measurably lower per-dollar return.

Figure 13: BCR of PG and FD Arms by Sustainability Horizon (Full Sample, 10% Discount Rate, No Spillovers)

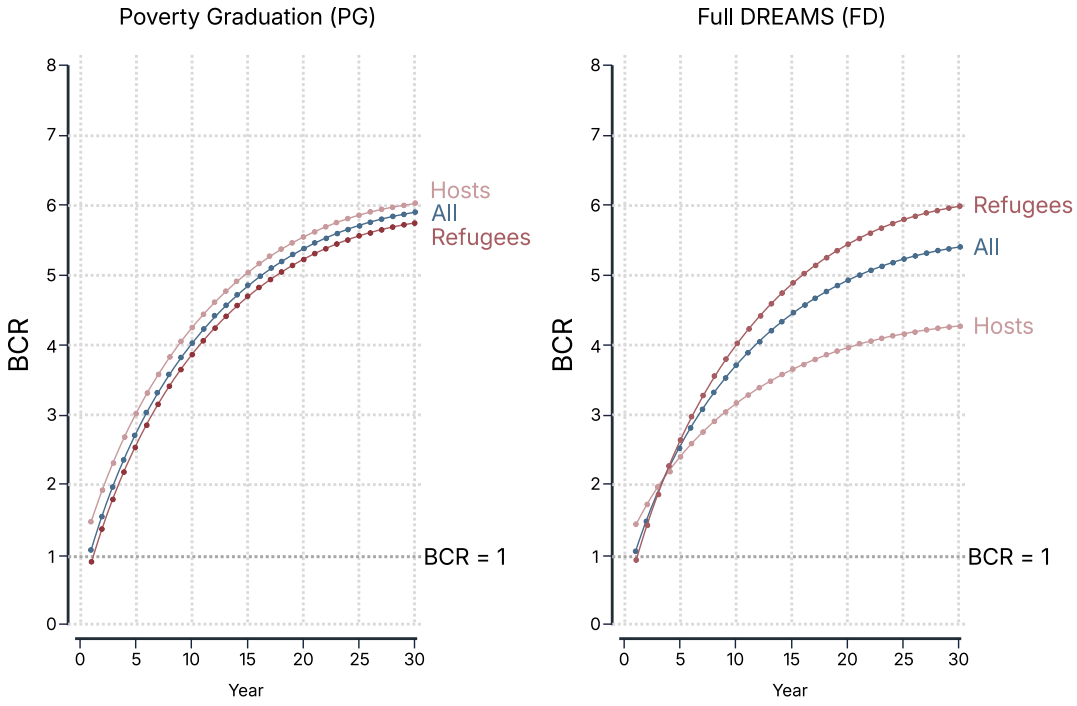


We caution against reading the small PG–FD gap as evidence that MSD does not work in Dollo Ado. The qualitative and quantitative evidence presented elsewhere in this report indicates that PG households benefited substantially from the indirect effects of MSD: strengthened input supply chains, expanded access to fodder and veterinary inputs, and the visible market pull around the shoat-fattening value chain (in which 21% of control households also engaged by Endline 1, up from 5% at targeting). The CEA's PG arm therefore implicitly captures the benefits of operating inside an MSD-strengthened market system; what the FD arm adds is direct market linkages such as input vouchers, and at Endline 1 these vouchers appear to have functioned mainly as a cost-saver for households rather than as a behavioral nudge into different value chains. The marginal cost of these direct linkages (USD 51 per household) is small but real, and the marginal short- to medium-term economic benefit they generated over and above PG is also small. Endline 2 will allow us to test whether direct linkages produce larger longer-run effects, for example by enabling FD households to scale or diversify their businesses in ways that PG households cannot.

4.4.1 Heterogeneity by Household Type

The pattern of refugee-versus-host BCR differs notably between the two arms.

Figure 14: BCR by Household Type, PG and FD Arms.



In the PG arm, hosts have a higher BCR than refugees at every sustainability horizon. Under a five-year assumption, the host BCR is 3.10x compared with 2.61x for refugees. The driver is the substantially larger asset effect among hosts (USD 507 per household vs USD 202 for refugees); the consumption effect is essentially identical across the two groups (USD 20.13 vs USD 21.47 per month).

In the FD arm, the pattern is more complex. Hosts have a higher BCR when impacts are assumed to be sustained for one or two years, but refugees catch up and overtake hosts when impacts are sustained for three years or more. Under a five-year assumption, refugee BCR (2.60x) exceeds host BCR (2.36x); under a 30-year assumption, the gap widens further under longer sustainability assumptions. This pattern reflects two opposing forces: hosts have a much larger asset effect (USD 613 vs USD 217), which dominates when only a few years of consumption flow are added; refugees have a substantially larger

monthly consumption effect (USD 23.63 vs USD 13.20), which compounds as more years of sustained impact are added to the numerator. The host consumption effect in the FD arm is also only marginally significant (p = 0.073), so the host FD estimates should be interpreted with some caution.

Comparing arms within subgroups under a five-year sustainability assumption: hosts are better served by the PG-only package (PG 3.10x vs FD 2.26x), while refugees do similar in both PG FD (PG 2.61x vs FD 2.60x). Taken together, these heterogeneity results indicate that the additional direct MSD investment slightly underperforms PG-only for hosts and roughly breaks even for refugees within the horizons we model.

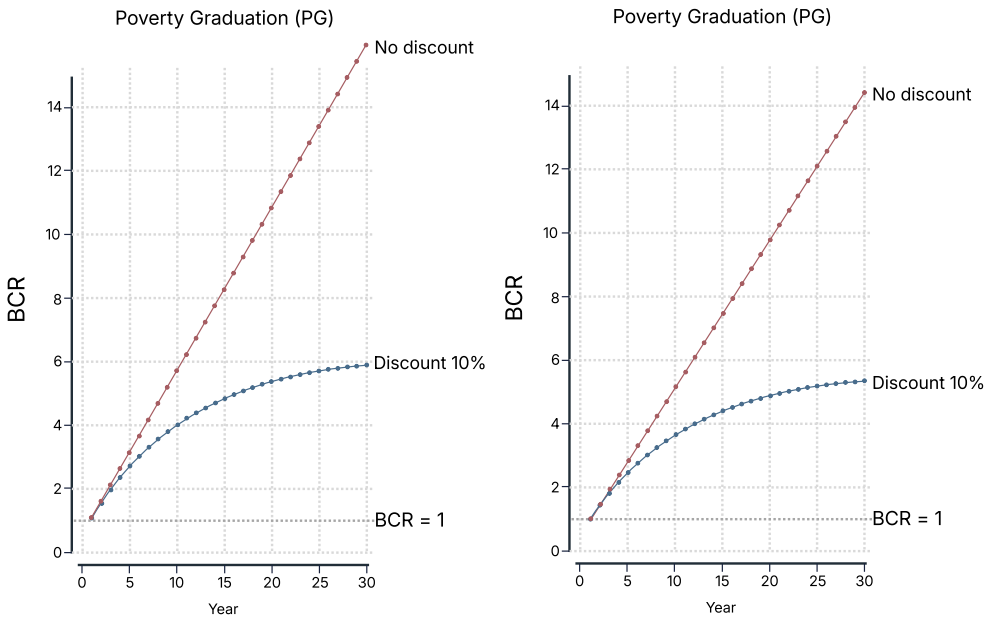
4.5 Sensitivity Analysis

We test the robustness of our preferred estimate to two modelling choices: the discount rate, and assumptions about spillovers to non-treated households.

4.5.1 Discount Rate

Removing the discount rate substantially increases BCR in both arms when impacts are assumed to be sustained for many years: under a 30-year sustainability assumption, the no-discount BCR reaches 16.35x for PG and 14.17x for FD, compared with 6.04x and 5.29x respectively at 10%. The direction of the cross-arm comparison is unchanged: PG remains marginally above FD at every sustainability horizon under both assumptions. The two curves are essentially identical when impacts are sustained for only one or two years (the discount rate has no bite at all in Year 1, since consumption is not discounted in the first year), and the gap widens steadily over longer horizons.

Figure 15: BCR Under Preferred (10%) vs No-Discount Assumptions, PG and FD.

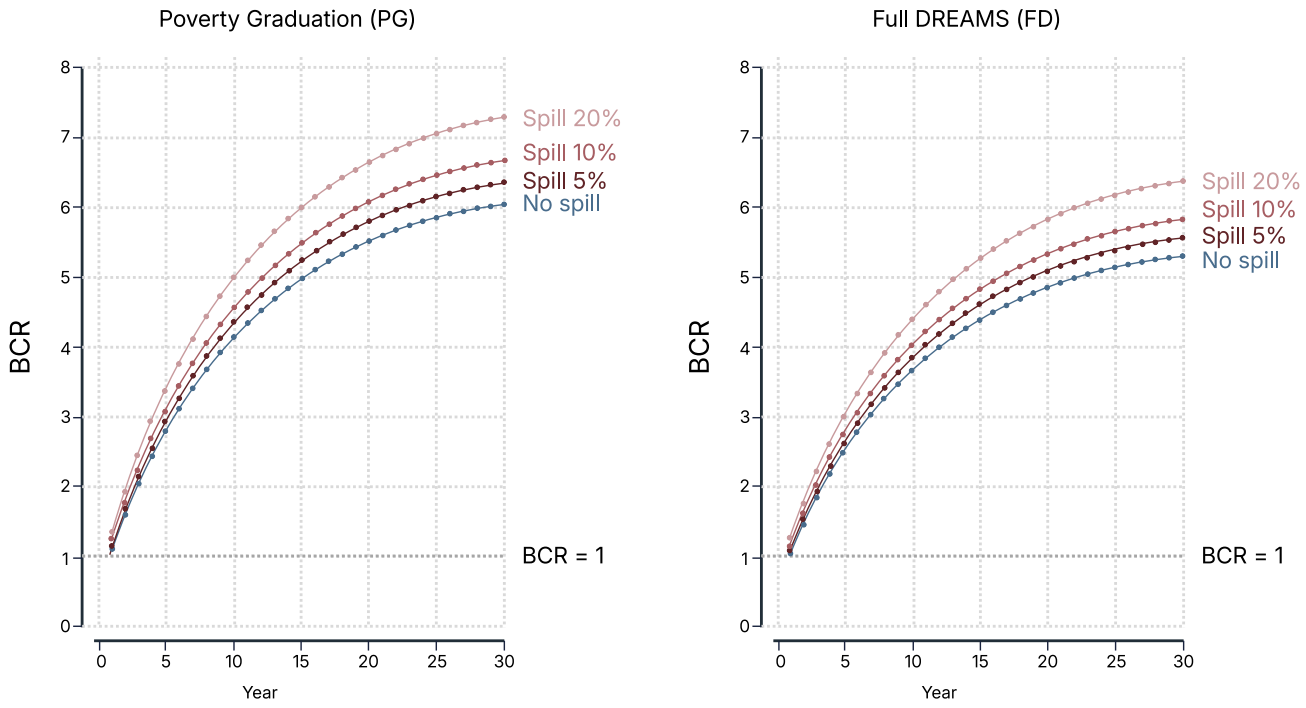


4.5.2 Spillovers

The treatment effects estimated by the RCT are net of any positive spillovers that reach control households, for example through resource sharing, informal credit, second-hand training, or the strengthened value chains created by MSD. To the extent that such spillovers are present in the program area but partially absorbed by control households, the RCT estimates are a lower bound on the program's total impact in the catchment area, and the true BCR of a scaled program is higher than our preferred estimate suggests.

We model spillovers by assuming that non-treatment households in the program area receive a fraction (0%, 5%, 10%, or 20%) of the treatment effect, and we scale the resulting uplift by the ratio of spillover-eligible households to treatment households in the catchment area. For DREAMS Ethiopia we use a population estimate specific to the Dollo Ado catchment area, rather than the 1/6 ratio used in the DREAMS Uganda CEA. Based on UNHCR refugee population data for the three program-relevant Dollo Ado camps (Melkadida 44,037; Kobe 37,787; Hiloweyn 52,283, for a total total 134,107 individuals as of 31 March 2026; source: UNHCR Operational Data Portal, Horn of Africa)[73] and a survey-estimated average refugee household size of 8.77, we estimate approximately 15,297 refugee households in the catchment area. Applying the program's 70:30 refugee-to-host targeting ratio implies a total of approximately 21,853 affected households. With 10,812 households reached directly by the program, this leaves an estimated 11,053 spillover-eligible households, which is a spillover-to-treatment ratio of approximately 1.02, meaning treatment households make up roughly half of all affected households in the program area. This is very different from the West Nile, Uganda case, where treatment households were closer to one-sixth of all affected households and the same percentage spillover assumption produced a much larger amplification of total benefits.

Figure 16: BCR Under Alternative Spillover Assumptions, PG and FD.



Because the ratio is small, the spillover scenarios produce only modest uplifts to BCR. Under a five-year sustainability assumption: with 5% spillovers, PG remains above FD at the five-year horizon under no spillover, 5%, 10%, and 20% spillover assumptions. The qualitative evidence in this report shows control households entering the shoat-fattening value chain, accessing inputs from strengthened markets, and reporting indirect financial and informational benefits from treatment households. This suggests that some positive spillovers are likely, although the modest size of the catchment area means their contribution to total program BCR is more limited than in less-saturated settings.

73UNHCR Operational Data Portal, Horn of Africa Situation, Dollo Ado: https://data.unhcr.org/en/situations/horn/location/161

4.5.4 Factors Influencing the Accuracy of Cost-Effectiveness Estimates

Our cost-effectiveness model attempts to project the future cost-effectiveness of DREAMS based on impact and cost data collected from a single endline. This projection may be inaccurate if impacts or costs are imprecisely estimated, if assumptions about the sustainability of impacts are incorrect, or if assumptions about future iterations of the program are inaccurate. Table 31 lists, non-exhaustively, the factors most likely to lead us to mis-estimate cost-effectiveness. On balance, we believe these factors are more likely to push us towards underestimating cost-effectiveness than overestimating it.

Table 31. Factors Influencing Accuracy of Cost-Effectiveness Estimates

Factor would increase (+) or decrease (-) cost-effectiveness

Factors affecting impact estimates	Factors affecting cost estimates
MSD indirect effects and other spillovers are not fully captured in RCT estimates (+)	Program costs do not include the costs of setting up in a new country (–)
The BCR numerator does not monetize non-economic benefits (well-being and pro-WEAI gains, both significant for PG and FD); converting these to monetary equivalents would increase BCR (+)	Program costs were higher for RCT cohorts than for non-study cohorts (e.g. additional targeting required) (+)
Sustainability of impacts and trajectory of impacts over time (+/–)	Design costs may be lower for subsequent iterations of the program (+)
Discount rate may not be appropriate for the context (+/–)	
Consumption effects may be measured with seasonal noise (+/–)	

4.6 Comparisons to Other Livelihoods Programs

The cost-effectiveness of DREAMS Ethiopia compares favorably with other livelihoods programs evaluated in similar contexts. Table 32 presents 5-year BCR estimates using consistent assumptions: benefits calculated as household consumption plus net assets, with a 10% discount rate applied to consumption accruing after Year 1.

Table 32. 5-Year BCR for Comparator Programs

Program	CE estimate: 5yr BCR	Notes
DREAMS Ethiopia (this study)	PG: 2.75x PG Refugees: 2.55x PG Hosts: 3.16x FD: 2.09x FD Refugees: 2.18x FD Hosts: 2.03x	See above
DREAMS Uganda	Pooled: 2.28x Refugees only: 1.51x Hosts only: 2.54x	DREAMS Uganda Endline 1 Report (2025)
Village Enterprise (DIB program)	Pooled: 1.84x Kenya only: 2.84x Uganda only: 0.72x	Final evaluation report (link) CEA write-up (link)
AVSI program in Rwamwanja (IPA RCT - Uganda only)	Group arm: 0.76x Individual arm: 0.63x	Working paper (link). The working paper reports a lifetime ROI of 3.6x in the group training arm and 2.9x in the individual training arm, extrapolating the consumption effect indefinitely into the future. The authors' calculation does not include the asset effect, and uses a 5% discount rate. We update these calculations, using inputs from Tables 1 & 2.
Targeting the Ultra Poor	India (highest CE): 0.72x Ethiopia: 0.44x Ghana: 0.26x	Publication (link). The paper reports a lifetime BCR using a 10% discount rate as 1.24x (Ethiopia), 0.63x (Ghana), and 2.11x (India). We update these calculations using inputs from Table 4.

The DREAMS Ethiopia estimates are at the upper end of the range observed for poverty-graduation programs in low-income settings, and meaningfully higher than the original Targeting the Ultra Poor estimate for Ethiopia. The PG arm's 5-year BCR of 2.78x exceeds the DREAMS Uganda pooled estimate of 2.28x, and the FD arm's 5-year BCR of 2.48x is also above the Uganda pooled estimate. The Ethiopia–Uganda gap is consistent with the broader pattern in this report that DREAMS Ethiopia generated relatively large welfare gains for both refugees and hosts in Dollo Ado.For donors and program staff, the headline message is twofold. First, both DREAMS Ethiopia treatment arms are clearly cost-effective by widely used benchmarks: both arms break even within Year 1 even with no further sustainability of impacts, and both exceed a BCR of 2x, which is a strong threshold for graduation programs when impacts are sustained for four years. Second, the marginal cost of layering direct MSD on top of PG (USD 51 per household) is not quite justified by the additional short- to medium-term economic gain, although the PG–FD difference is small enough that this conclusion may shift at Endline 2 if direct linkages translate into longer-run business growth or if non-economic benefits are monetized.

5. DISCUSSION

Findings from the first endline indicate that the DREAMS program generated meaningful short- to medium-term improvements in household welfare, particularly in consumption, income, and asset ownership, for both PG and FD households. A key finding with clear programmatic implications is that the combination of poverty graduation with indirect (community-level) MSD appears sufficient, at this stage, to produce meaningful economic gains; adding direct market linkages on top produced only limited additional short-to-medium-term welfare impact in most domains. These results suggest that participants successfully translated program support, graduation training and grants combined with community-level market strengthening, into tangible economic gains, maintaining these improvements 6 to 18 months after program graduation.

The following section discusses these findings in greater detail and situates them within the broader literature on poverty graduation and market systems development.

5.1 Household Welfare and Well-Being

5.1.1 Economic Outcomes

DREAMS generated meaningful short- to medium-term economic improvements across both PG and FD treatment arms. Specifically, PG and FD households reported increased average monthly consumption of USD 20.53 (a 9.9% difference from the control) and USD 20.41 (a 9.4% difference from the control). Total household asset ownership also grew significantly, with PG households owning 24.7% more assets than control households and FD households owning 23.6% more than control households. Additionally, both arms experienced significant income growth (PG +14.6%; FD +17.6%), driven by the livestock sector, specifically shoat fattening.

These findings align with the short- to medium-term impacts of the DREAMS Uganda program and with existing literature on poverty graduation programs in non-refugee settings, which consistently demonstrate that combining training, mentorship, and start-up capital yields significant welfare improvements. Prior evaluations of the Village Enterprise model in Kenya and Uganda, for instance, recorded sustained growth in household consumption, assets, and income that persisted well beyond the intervention period (Sedlmayr et al., 2020; McManus et al., 2022). Notably, the estimated economic impacts observed in the DREAMS RCT exceed those of prior benchmarks. The DREAMS evaluation extends this evidence base to refugee settings, demonstrating that integrated graduation and market systems approaches can drive improvements in household economic welfare for both refugee and host communities, even amidst market limitations.

5.1.2 Resilience, Financial Inclusion, Well-being

The DREAMS program contributed to greater household food security, suggesting that gains in household consumption translated into tangible improvements in food security. PG and FD households scored lower on the USAID Household Hunger Scale than control households, with differences of 0.16 standard deviations for PG and 0.07 standard deviations for FD, representing a modest but meaningful improvement. This aligns with findings from other poverty graduation programs, which demonstrate that combining business training, grants, and savings support can strengthen food security and nutrition (IPA, 2021). PG and FD households were 6 and 7 percentage points less likely, respectively, to be classified as moderately or severely food insecure compared to the control group, which had a rate of 32%. These improvements extended to children. Children in PG and FD households were 6 and 9 percentage points

less likely to skip meals, respectively (relative to 33% of control), and 4 to 6 percentage points less likely to go entire days without eating (relative to 23% of control)

The program also improved overall household well-being. PG and FD households scored 0.14 and 0.21 standard deviations higher, respectively, on the well-being index than control households. Participants reported feeling happier and healthier, experiencing greater agency, and being more satisfied with their financial situations. These outcomes align with evaluations of previous programs, which found comparable improvements in participants' confidence and overall quality of life following the provision of training, mentorship, and income-generating opportunities (IPA, 2021). Notably, FD respondents scored 0.09 points higher than PG respondents on the overall well-being index, indicating that direct market linkages lead to greater perceived well-being.

The program also strengthened household resilience to economic shocks. Treatment households were significantly less likely to report experiencing a shock in the previous year, with reductions of 4 percentage points for PG and 5 percentage points for FD compared to a 48% of control households, though this reduction was primarily driven by refugee households. Further, PG and FD households reported greater confidence in their ability to cope with future shocks and were more likely to take proactive measures to adapt. The most common strategy reported was increasing financial savings, which rose by 4 percentage points for both groups.

These resilience gains were bolstered by modest improvements in financial inclusion and large gains in savings. The program effectively doubled household financial buffers, increasing total savings by 92% for PG and 91% for FD compared to control households. While uptake of formal banking remained low due to historical community mistrust, treatment households shifted away from informal storage methods; mobile money usage rose to 73% among PG and FD respondents (up from 68% in the control), and formal banking saw slight but statistically significant increases.

The findings on resilience, financial inclusion, and well-being suggest that, in the short to medium-term, the DREAMS model works not only by increasing economic resources but also by enhancing households' capacity to manage risk, access financial tools, and experience improved well-being. Its integrated approach effectively promotes resilient, self-reliant households.

5.1.3 Women's Empowerment

DREAMS interventions led to measurable differences in women's economic empowerment. Relative to the control group, female participants achieved statistically significantly higher scores on the 0-1 empowerment index, with PG respondents scoring 0.03 points higher and FD respondents scoring 0.04 points higher. This overall difference was primarily driven by higher economic decision-making power (+0.03 for PG, +0.05 for FD), greater access to financial services (+0.04 for both arms), and higher rates of group membership (+0.04 for PG, +0.05 for FD). Taken together, these metrics show that engagement in DREAMS business groups and financial training led to higher short- to medium-term economic agency among participants than control respondents. Qualitative interviews reinforce this data; female participants highlighted how the program's capital and mentorship enabled them to launch enterprises, navigate household finances more assertively, and achieve greater independence. This increased agency likely helped drive other positive differences, such as higher income, greater asset wealth, and better shock resilience. This shows that women's empowerment is both an important program outcome and a key driver of overall household prosperity.

Despite these differences in personal agency, DREAMS did not meaningfully change deeper social norms during the evaluation period. When measuring gender attitudes and traditional household roles, the data showed no significant positive differences between the treatment and control groups. In fact,

PG and FD respondents showed a slightly lower likelihood of endorsing certain progressive concepts. Specifically, women in the treatment arms were slightly less likely than those in the control group to endorse the ideas of women working in traditionally male-dominated jobs (-0.06 percentage points for PG, -0.03 percentage points for FD) or maintaining independent control over household income (-0.03 percentage points for both PG and FD), while the attitudes of male respondents remained largely unchanged across groups. This suggests that while graduation programs effectively increase women's economic participation, changing deep-rooted gender and household norms likely requires longer-term interventions that engage the broader community.

5.2 Comparing Poverty Graduation and Full DREAMS Outcomes

Across most key welfare indicators, including monthly consumption, household assets, income, savings, and food security, there were no statistically significant differences between the PG and FD treatment arms. Both groups primarily engaged in the shoat fattening value chain at nearly identical rates with their BGs (90% PG, 94% FD). This suggests that the core poverty graduation package, even without direct market linkages, effectively encouraged households to engage in new business activities within a key value chain and improved their household welfare. The hypothesized additional benefit from direct market linkages provided to FD households did not yield a measurable additive impact on short- to medium-term welfare indicators relative to PG households, though PG households may also have benefited from informal spillovers of market actor engagement and demonstration effects.

However, FD did produce advantages in specific domains: FD households held, on average, USD 18.86 more in business assets than PG households, and FD respondents reported a slightly higher, statistically significant difference in well-being (+0.06 SD). These differences may be linked to the role of vouchers in reducing operational costs. By lowering input costs such as feed and veterinary care, vouchers may have enabled FD households to reinvest their savings in business assets, including additional livestock. Additionally, the guarantee of subsidized inputs potentially functioned as a form of risk mitigation, reducing financial stress and contributing to improved subjective well-being.

The evidence suggests two primary reasons why the short-to medium-term additive effect of direct market linkages was minimal.

1. Role of Vouchers

Vouchers primarily functioned as a cost-saving mechanism, rather than a behavioral nudge. While the vouchers offered to FD participants were designed to drive deeper market engagement in key value chains, the data indicate these vouchers acted primarily as a financial cost-saver rather than a behavioral nudge. Qualitative respondents who received discount vouchers generally described them as helpful in reducing business costs, though not essential to business operations. Most FD households used these vouchers to purchase both veterinary medicines and fodder at discounted prices. Many FD participants noted that, if they had not received the discount cards, they would have used their seed grants or business profits to purchase the necessary medicines. Evidence from PG households reinforces this pattern: Many PG participants indicated that, though they did not receive discount cards, they still purchased the necessary medicines and fodder at full price to treat their livestock. Consequently, the voucher reduced operational costs for FD households rather than nudging them into different value chains or business practices, potentially making their role in the program complementary rather than central.

2. Positive Impact of Indirect MSD Spillovers

PG households benefited from positive indirect spillovers of MSD. The similarities in outcomes can also be attributed to the broad success of the MSD approach. PSAs successfully expanded local supply chains, making essential inputs such as medicines and fodder more readily accessible within refugee camps and surrounding communities. As a result, PG households experienced the indirect "pull" of a strengthened market and were able to easily procure inputs without needing direct market linkages. Control households also experienced this market pull, as evidenced by the increase in the number of control households engaged in shoat fattening since targeting (21% at endline compared to 5% at targeting). Simultaneously, Business Mentors encouraged PG households to engage with these markets.

As both PG and FD businesses operated in a strengthened market system, their business behaviors were largely similar. A majority of households in both treatment arms were involved in shoat fattening at endline (61% in PG and 67% in FD households). PG and FD households sold to similar customer bases at comparable rates: 18% of PG and 19% of FD sold goats or sheep to direct consumers, while 25% of PG and 26% of FD households sold to market traders and retailers. Further, participants in both arms adopted new practices at similar rates and sourced their goats or sheep from the same markets. Both groups increased their purchasing from local feed suppliers by 7 percentage points relative to the control group. Additionally, local veterinary and animal health providers became the primary source of input for a substantial portion of both groups, with usage increasing by 26 percentage points for PG and 33 percentage points for FD. Ultimately, this combination of market "pull" and mentor "push" resulted in PG and FD households operating with few measurable differences in their day-to-day business execution.

5.3 Ethiopia and Uganda: Endline 1 Comparison

While Uganda and Ethiopia differ in important contextual dimensions, including market structure, livelihood systems, and environmental conditions, comparing results across the two settings provides useful insights into how the DREAMS model performs under varied implementation contexts.

The DREAMS program generated positive short- to medium-term economic impacts in both Uganda and Ethiopia, producing comparable absolute differences relative to control groups despite substantial contextual differences. In Uganda, the intervention resulted in a 17% (USD 19.10) difference in household consumption and a 20% (USD 135.40) difference in total asset wealth compared to the control group. In Ethiopia, household consumption was 10% (USD 21.53) higher for the Poverty Graduation (PG) arm and 9% (USD 20.41) higher for the Full DREAMS (FD) arm relative to the control mean. While the relative percentage difference in consumption was higher in Uganda, the absolute monetary differences were highly similar across both contexts due to Ethiopia's higher baseline wealth. Notably, the asset wealth difference in Ethiopia was larger in both absolute and relative terms than in Uganda, with total asset wealth 25% (USD 224.89) higher for PG households and 24% (USD 214.64) higher for FD households. Further, interventions in both countries effectively doubled household savings buffers. In Ethiopia, PG and FD households exhibited savings balances that were 92% and 91% higher than the control group, respectively, while the savings difference in Uganda was 108% relative to the control. This demonstrates that the DREAMS approach is adaptable and can deliver meaningful impacts across diverse displacement contexts.

Despite similar overall economic impacts, the pathways through which households generated income differed significantly across contexts, reflecting local constraints such as land access and livelihood systems. Land access was a barrier in the Uganda evaluation site, West Nile, and pushed refugee households toward quick-return, low-space activities like poultry rearing and retail, while host communities utilized their greater land access to cultivate land-intensive cash crops such as sesame and soybeans. The

only promoted value chain that didn't require land in Uganda was poultry. However, the land constraint was more readily addressed through formal land-clearing and land-use agreements between refugee groups and host community landowners.

In Dollo Ado, such agreements are less common and the dry, drought-prone landscape further constrains the economic viability of smallholder cropping. In addition, for host communities in the area, viable agricultural land was typically further away from the household compared to Uganda. Thus, even host community households who owned land preferred business opportunities that kept them closer to home. This contrast helps explain why agricultural value chain uptake was even lower in Ethiopia than in Uganda. The Ethiopia program also saw little divergence in business activities between host and refugee groups, with the majority of both populations leaning heavily into shoat fattening. This preference emerged because land constraints, faced by both groups, though more acute for refugees, were compounded by the region's strong pastoralist background and the cultural perception of goats as resilient, non-perishable assets. It may also reflect differences in market system maturity across contexts. Compared to Uganda, Ethiopia's more remote settings and more restrictive refugee policy environment may limit market diversification and access to a broader range of livelihood opportunities.

The two programs also encountered different operational and environmental bottlenecks that influenced how market linkages functioned. In Uganda, the primary challenge was logistical: direct market linkages were hindered by voucher timing. With inputs such as seeds sometimes arriving after the optimal planting season, these delays created barriers that prevented participants from fully participating in their targeted value chains. In Ethiopia, by contrast, the program successfully implemented its vouchers, including veterinary medicine and fodder. However, Ethiopia participants faced broader environmental limitations. Specifically, successive droughts caused significant volatility in the local livestock market, driving down livestock prices while increasing feed costs. In response, participants across both treatment arms opted to hold onto their livestock to avoid selling at a loss. Because direct market linkages rely on active trading to generate higher returns, this widespread pause in sales tied up household capital and temporarily masked the intended benefits of the program's market interventions. Nevertheless, it remains possible that the full advantages of these direct linkages, such as enhanced training and stronger relationships with PSAs, will materialize in the medium to long term if participants prove resilient to these ongoing shocks.

Finally, the distribution of economic impacts between host and refugee communities differed across the two countries. In Uganda, relative differences in welfare were substantially larger for host communities than for refugees. For example, host communities in Uganda saw a 23.4% difference in consumption, compared to 13.5% for refugees, and a 31% difference in assets, compared to just 6% for refugees. In contrast, Ethiopia showed more balanced outcomes between the two populations. In the Ethiopian FD arm, the relative difference in total asset wealth was nearly identical for both groups, at 23.9% for refugees and 23.3% for host community members. While consumption differences in Ethiopia showed some variation, with FD refugee households achieving a 10.9% relative difference compared to 6.3% for host households, the overall trend suggests that the program in Ethiopia generated more uniform gains regardless of refugee status. This indicates that while the Ethiopian context allowed for more consistent progress across both groups, the Ugandan context saw host communities realize significantly larger relative gains than their refugee counterparts. Ultimately, these differences highlight that contextual factors, particularly access to land and complementary assets, play a critical role in determining who benefits most from the program.

Taken together, these findings suggest that while the DREAMS model produces consistent welfare gains across contexts, the pathways, distribution of benefits, and operational challenges are highly context-specific. This underscores the importance of adapting program design and implementation to local conditions, particularly where structural constraints may shape both participation and outcomes.

5.4 Limitations of the Study

Our mixed methods study of DREAMS Ethiopia combines a large-sample RCT with qualitative interviews and FGDs. The RCT produces rigorous, causal evidence of the impact of DREAMS on livelihoods and well-being, while the qualitative study sheds light on mechanisms of impact and broader community impacts that are not captured in the quantitative estimates. However, some limitations to our study may lead us to overestimate or underestimate the impact of DREAMS, or misattribute impacts to certain mechanisms.

5.4.1 Non-Compliance, Contamination, and Spillovers

The majority of households assigned to the treatment arms participated in core activities, with nearly all households joining Business Savings Groups and Business Groups. While contamination was generally low, 9% of Poverty Graduation (PG) households reported receiving a voucher for discounted inputs, a benefit designed exclusively for Full DREAMS (FD) participants.

Furthermore, our study suggests that DREAMS had a positive impact on livelihoods in the broader community. In qualitative interviews, control group respondents reported benefiting indirectly through resource sharing, borrowing basic food items, and accessing informal financial credit directly from DREAMS savings groups. Control households also gained second-hand training and financial knowledge from their interactions with DREAMS participants. Finally, we observed a significant number of control households (21%) starting income-generating activities in shoat fattening during the study period, which was a value chain strengthened by market systems development. Because these various spillover effects likely benefited control households, the differences observed between treatment and control households may be attenuated. Thus, we believe that the quantitative estimates serve as a lower bound on the total impact of DREAMS on livelihoods and well-being in the study communities.

5.4.2 Mechanisms of Impact

Our study was designed to produce rigorous evidence on the extent to which DREAMS impacted livelihoods and well-being. Unlike the Uganda evaluation, our three-arm design in Ethiopia allows us to successfully isolate the additive effect of direct market linkages (Full DREAMS) over poverty graduation, though all treatment activities occurred in environments with market systems development. We are also unable to distinguish the relative impacts of individual components within those packaged interventions (e.g., the specific impact of the seed capital versus the business mentorship). Thus, we are unable to draw definitive inferences from this study on how to optimize the individual programmatic pieces of DREAMS. Further research, including A/B tests of specific program components, is needed to better understand how to optimize the program's design.

5.4.3 Sustainability of Impacts

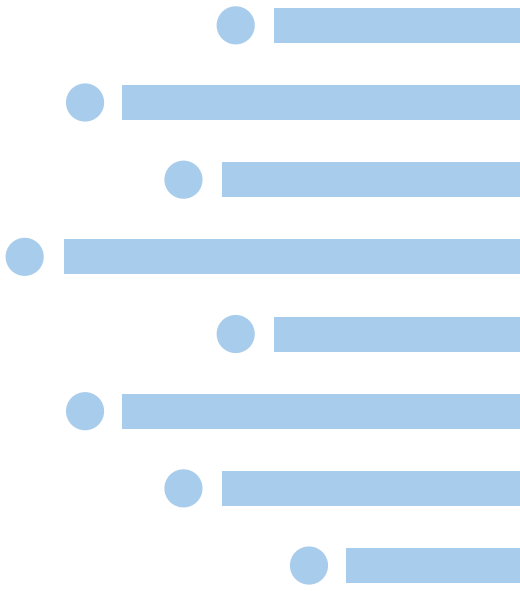
This report describes the short- to medium-term impacts of DREAMS. The staggered nature of the program rollout allows us to infer how impacts behave over different time horizons. In our cohort-wise analysis of Cohorts 2, 3, and 4, we found consistent, positive economic impacts across all participant cohorts without a clear upward or downward trend over time, suggesting the program yields stable, short-term improvements. However, we do not yet know whether program impacts will be sustained in the long term. Endline 2, planned for late 2026, will provide critical evidence on the sustainability of these impacts over a longer period.

5.4.4 Attrition

Attrition, or the loss of participants between the targeting survey and endline, is a concern in studies involving mobile refugee populations. While the original evaluation sample targeted 7,200 households, the Endline 1 survey successfully reached 6,151 households (an 85% completion rate). This 15% attrition was primarily due to respondents relocating outside of the study area or being consistently unavailable despite multiple follow-up visits. An attrition analysis revealed slight demographic differences: unsurveyed households were generally older, less likely to be headed by a female, and slightly larger. However, the baseline poverty likelihood remained identical (57%) across both populations. While the underlying economic vulnerability of the sample was not compromised, the effects of DREAMS may have been different for households that relocated, and our study is unable to project impacts for those missing households.

5.4.5 External Shocks

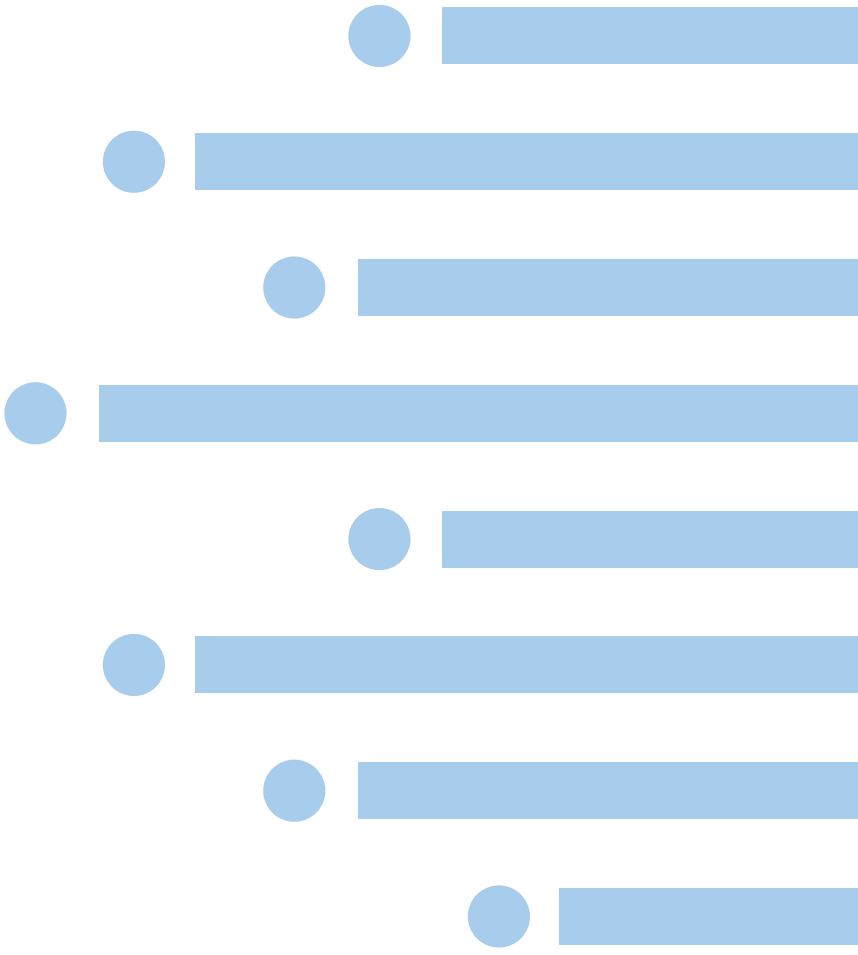
External shocks were highly salient in the Dollo Ado region during the study period and significantly influenced participant behavior. The most severe shocks reported were successive droughts and high inflation/currency devaluation. The drought caused extreme market volatility, depressing livestock prices while increasing feed costs. Because the vast majority of participants selected shoat fattening as their primary business, this shock forced many households to hold onto their livestock rather than sell at a loss. This strategy tied up household capital and likely masked the intended short-term advantages of the direct market linkages provided to the FD arm. While the evaluation shows DREAMS improved household resilience overall, these large environmental and economic shocks likely attenuated the program's maximum potential impact during the evaluation period.



6. CONCLUSION AND NEXT STEPS

The initial findings from DREAMS indicate that structured livelihood programs can meaningfully improve short- to medium-term economic outcomes for both refugee and host communities in Dollo Ado, Ethiopia. This evidence is critical given current reductions in humanitarian funding and the sector-wide shift toward sustainable development in protracted displacement settings. By combining group-based entrepreneurship, financial inclusion, capital grants, and deliberate but flexible market systems development, DREAMS provides a model for empowering vulnerable households to build self-reliance and resilience.

As a next step, IDinsight will conduct a second endline survey in October 2026, roughly one year after the first endline survey. This follow-up will measure outcomes 24 to 36 months post-implementation across the evaluation cohorts, providing insights into the program's long-term impacts. This future data collection is critical to determining whether the short- to medium-term gains documented here will be sustained, expanded, or declining over time. Further, as MSD activities rely on the gradual strengthening of market relationships and business maturity, these impacts are expected to become more visible in the longer term. The second endline will therefore provide an opportunity to assess the durability of the economic, resilience, and well-being improvements driven by the poverty graduation model, clarifying the extent to which DREAMS fosters lasting self-reliance among participants.



REFERENCES

Anderson, M. (2008). Multiple inference and gender differences in the effects of early intervention: a reevaluation of the abecedarian, perry preschool, and early training projects. Journal of the American Statistical Association, Vol 103.

Ballard, T., Coates, J., Swindale, A., & Deitchler, M. (2011). *Household Hunger Scale: Indicator definition and measurement guide.* Food and Nutrition Technical Assistance II Project (FANTA-2), FHI 360. https://www.fantaproject.org/sites/default/files/resources/HHS-Indicator-Guide-Aug2011.pdf

Exchange-rates.org. (2024). *USD to ETB exchange rate history: 2024*. https://www.exchange-rates.org/exchange-rate-history/usd-etb-2024

FEWS NET. (2025, December 8). East Africa Seasonal Monitor: Widespread Severe October-December 2025 Rainfall Deficits Across the Eastern Horn of Africa. https://fews.net/east-africa/seasonal-monitor/december-2025

IDinsight. (2026). Delivering Resilient Enterprises and Market Systems (DREAMS) impact evaluations. https://www.idinsight.org/project/delivering-resilient-enterprises-and-market-systems-dreams-impact-evaluations/

Innovations for Poverty Action. (2021). *The impact of a graduation program on livelihoods in refugee and host communities in Uganda*. https://www.poverty-action.org/study/impact-graduation-program-livelihoods-refugee-and-host-communities-uganda

Innovations for Poverty Action. (n.d.). *Ethiopia*. Poverty Probability Index. Retrieved March 20, 2026, from https://www.povertyindex.org/country/ethiopia

International Food Policy Research Institute. (n.d.). *Project-level Women's Empowerment in Agriculture Index (pro-WEAI)*. Retrieved March 20, 2026, from https://weai.ifpri.info/versions/pro-weai/

McManus, J., Kananu, W., Lazicky, C., Carson, S., Gallardo, M., & Njogu-Ndongwe, F. (2022). *Can poverty graduation programs make poor households more resilient during shocks? Evidence from Kenya and Uganda during COVID-19* [Working paper].

Ministry of Health - Ethiopia. (2020). *Fact sheets*. Retrieved March 23, 2026, from https://www.moh.gov.et/fact-sheets?utm_

National Bank of Ethiopia. (2024). *Foreign exchange directive no. FXD/01/2024*. https://nbe.gov.et/wp-content/uploads/2024/07/FXD012024-FOREIGN-EXCHANGE-1-1.pdf

ReliefWeb. (n.d.). *Ethiopia: Drought*. Retrieved March 18, 2026, from https://reliefweb.int/disaster/dr-2015-000109-eth

Sedlmayr, R., Shah, A., & Sulaiman, M. (2020). Cash-plus: Poverty impacts of alternative transfer-based approaches. *Journal of Development Economics, 144*. https://doi.org/10.1016/j.jdeveco.2019.102418

United Nations High Commissioner for Refugees. (2021). *Global trends: Forced displacement in 2020*. https://www.unhcr.org/60b638e37/unhcr-global-trends-2020

United Nations High Commissioner for Refugees. (2026). *RRS-UNHCR Ethiopia refugees and asylum-seekers | December 2025. Operational Data Portal.* https://data.unhcr.org/en/documents/details/120725

United Nations High Commissioner for Refugees. (2026, March 2). *Ethiopia situation: Population dashboard - 31 January 2026*. Operational Data Portal. https://data.unhcr.org/en/documents/details/121374

World Bank. (n.d.). *Literacy rate, adult total (% of people ages 15 and above) - Ethiopia*. World Bank Open Data. Retrieved March 18, 2026, from https://data.worldbank.org/indicator/SE.ADT.LITR.ZS?locations=ET

World Bank. (n.d.). *Primary completion rate*. Gender Data Portal. Retrieved March 18, 2026, from https://genderdata.worldbank.org/en/indicator/se-prm-cmpt-zs?gender=female&gender=male&geos=ERI_SWZ_ETH_GMB_GHA_KEN_LSO_LBR_MWI_MOZ_NGA_RWA_SLE_SOM_SSD_TZA_UGA_ZMB_ZWE&groups=incomeGroup&view=bar

APPENDICES

Appendix A: Additional Analyses

Table A1: Household Demographics

Characteristic	Total (N=6151)		Evaluation Arms						Household Status			
			Control (N=2047)		Poverty Graduation (N=2054)		Full DREAMS (N=2050)		Refugees (N=4433)		Host Community (N=1718)	
	Mean	(SD)	Mean	(SD)	Mean	(SD)	Mean	(SD)	Mean	(SD)	Mean	(SD)
Respondent is Female	0.78	(0.41)	0.79	(0.41)	0.78	(0.41)	0.77	(0.42)	0.81	(0.39)	0.71	(0.45)
Respondent is household head	0.83	(0.37)	0.83	(0.38)	0.83	(0.37)	0.83	(0.37)	0.82	(0.38)	0.86	(0.34)
Respondent Age is 18-30	0.42	(0.49)	0.42	(0.49)	0.42	(0.49)	0.43	(0.50)	0.39	(0.49)	0.50	(0.50)
Respondent Age is 31-47	0.41	(0.49)	0.42	(0.49)	0.40	(0.49)	0.40	(0.49)	0.43	(0.49)	0.36	(0.48)
Respondent Age is Greater than 48	0.17	(0.37)	0.16	(0.37)	0.18	(0.38)	0.17	(0.37)	0.18	(0.39)	0.13	(0.34)
Respondent is Married	0.82	(0.39)	0.81	(0.39)	0.81	(0.39)	0.83	(0.37)	0.82	(0.38)	0.80	(0.40)
Respondent Can Read Or Write	0.35	(0.48)	0.35	(0.48)	0.36	(0.48)	0.36	(0.48)	0.35	(0.48)	0.36	(0.48)
Household Has Member with Disability/Illness	0.20	(0.40)	0.20	(0.40)	0.19	(0.39)	0.20	(0.40)	0.20	(0.40)	0.17	(0.38)
Family is Polygamous	0.19	(0.39)	0.18	(0.39)	0.19	(0.40)	0.18	(0.39)	0.19	(0.39)	0.19	(0.39)
Number of Wives in Family (Including Respondent)	1.04	(0.73)	1.02	(0.68)	1.05	(0.76)	1.06	(0.74)	1.04	(0.71)	1.04	(0.76)
Number of Members of the Household (Including Respondent)	8.36	(3.39)	8.25	(3.41)	8.30	(3.33)	8.52	(3.41)	8.77	(3.47)	7.29	(2.90)
Number of boys under 6 in hh	1.10	(1.01)	1.12	(1.01)	1.07	(1.01)	1.10	(1.00)	1.11	(1.02)	1.07	(0.96)
Number of girls under 6 in hh	1.01	(0.97)	0.98	(0.96)	0.99	(0.98)	1.05	(0.98)	1.03	(1.00)	0.96	(0.90)
Number of boys 6-12 in hh	1.01	(0.98)	0.97	(0.98)	1.00	(0.96)	1.05	(0.99)	1.05	(1.00)	0.89	(0.91)
Number of girls 6-12 in hh	0.89	(0.94)	0.89	(0.94)	0.87	(0.93)	0.89	(0.95)	0.94	(0.97)	0.76	(0.84)
Number of boys 13-18 in hh	0.77	(0.91)	0.77	(0.93)	0.79	(0.91)	0.76	(0.89)	0.85	(0.93)	0.58	(0.83)
Number of girls 13-18 in hh	0.73	(0.88)	0.72	(0.88)	0.73	(0.88)	0.74	(0.88)	0.80	(0.90)	0.55	(0.79)
Total num of school age girls in hh	1.62	(1.42)	1.62	(1.44)	1.60	(1.40)	1.64	(1.42)	1.74	(1.46)	1.31	(1.27)
Total num of school age boys in hh	1.78	(1.47)	1.74	(1.48)	1.79	(1.42)	1.81	(1.49)	1.90	(1.49)	1.47	(1.35)
Number of hh boys 6-18 enrolled in school	1.38	(1.31)	1.32	(1.30)	1.40	(1.29)	1.43	(1.34)	1.46	(1.33)	1.17	(1.25)
All school age boys enrolled in school	0.52	(0.50)	0.50	(0.50)	0.53	(0.50)	0.54	(0.50)	0.54	(0.50)	0.50	(0.50)
Number of hh girls 6-18 enrolled in school	1.21	(1.22)	1.21	(1.21)	1.18	(1.20)	1.23	(1.24)	1.29	(1.24)	0.99	(1.13)
All school age girls enrolled in school	0.49	(0.50)	0.48	(0.50)	0.49	(0.50)	0.51	(0.50)	0.51	(0.50)	0.46	(0.50)
Number of adults >18 in hh	2.92	(1.57)	2.92	(1.57)	2.89	(1.56)	2.96	(1.59)	3.05	(1.65)	2.60	(1.31)
Respondent Education Status												
Did not Complete Primary	0.79	(0.41)	0.79	(0.40)	0.78	(0.41)	0.79	(0.41)	0.80	(0.40)	0.77	(0.42)
Completed Primary	0.14	(0.35)	0.14	(0.35)	0.15	(0.36)	0.13	(0.34)	0.15	(0.35)	0.13	(0.34)

Characteristic	Total (N=6151)		Evaluation Arms						Household Status			
			Control (N=2047)		Poverty Graduation (N=2054)		Full DREAMS (N=2050)		Refugees (N=4433)		Host Community (N=1718)	
	Mean	(SD)	Mean	(SD)	Mean	(SD)	Mean	(SD)	Mean	(SD)	Mean	(SD)
Completed Secondary Secondary	0.05	(0.22)	0.05	(0.21)	0.05	(0.21)	0.06	(0.23)	0.05	(0.21)	0.05	(0.23)
Completed University Education or Higher	0.02	(0.14)	0.02	(0.14)	0.02	(0.13)	0.02	(0.14)	0.01	(0.10)	0.04	(0.21)
Completed Vocational School	0.00	(0.02)	0.00	(0.02)	0.00	(0.00)	0.00	(0.03)	0.00	(0.02)	0.00	(0.03)
Respondent had at least one source of income	0.41	(0.49)	0.28	(0.45)	0.46	(0.50)	0.48	(0.50)	0.40	(0.49)	0.43	(0.50)
Respondent Employment Status												
Full time for pay	0.04	(0.20)	0.04	(0.19)	0.04	(0.21)	0.04	(0.20)	0.03	(0.18)	0.06	(0.24)
Part time for pay	0.03	(0.17)	0.02	(0.15)	0.03	(0.18)	0.03	(0.18)	0.03	(0.18)	0.02	(0.15)
Casual worker	0.17	(0.38)	0.11	(0.31)	0.21	(0.41)	0.20	(0.40)	0.17	(0.38)	0.17	(0.38)
Respondent Employment Status: Self employed	0.16	(0.37)	0.11	(0.31)	0.17	(0.38)	0.20	(0.40)	0.16	(0.36)	0.17	(0.38)
Volunteer	0.01	(0.07)	0.01	(0.08)	0.01	(0.08)	0.00	(0.06)	0.01	(0.08)	0.00	(0.05)
Unpaid in household business	0.04	(0.20)	0.03	(0.16)	0.05	(0.21)	0.05	(0.21)	0.04	(0.20)	0.04	(0.20)
Unemployed, not looking	0.32	(0.47)	0.39	(0.49)	0.29	(0.45)	0.28	(0.45)	0.33	(0.47)	0.31	(0.46)
Unemployed, looking	0.23	(0.42)	0.29	(0.46)	0.20	(0.40)	0.19	(0.39)	0.23	(0.42)	0.21	(0.41)
Respondent Employment Nature												
Crop farmer	0.09	(0.28)	0.07	(0.26)	0.09	(0.28)	0.10	(0.30)	0.09	(0.28)	0.09	(0.29)
Livestock/pastoralist	0.05	(0.21)	0.03	(0.17)	0.05	(0.22)	0.06	(0.23)	0.03	(0.17)	0.08	(0.28)
Livestock trader	0.15	(0.36)	0.03	(0.18)	0.21	(0.41)	0.21	(0.41)	0.16	(0.36)	0.14	(0.35)
Counsellor	0.01	(0.11)	0.01	(0.10)	0.01	(0.10)	0.02	(0.12)	0.01	(0.11)	0.01	(0.08)
Community-based volunteer	0.01	(0.11)	0.01	(0.09)	0.01	(0.12)	0.01	(0.11)	0.01	(0.11)	0.01	(0.10)
School teacher	0.02	(0.13)	0.02	(0.13)	0.02	(0.13)	0.02	(0.14)	0.02	(0.12)	0.03	(0.16)
Shop keeper	0.04	(0.20)	0.04	(0.19)	0.04	(0.20)	0.04	(0.20)	0.04	(0.20)	0.04	(0.20)
Petty trading	0.06	(0.24)	0.05	(0.22)	0.06	(0.24)	0.06	(0.24)	0.06	(0.24)	0.05	(0.21)
Restaurateur	0.01	(0.11)	0.01	(0.11)	0.01	(0.11)	0.01	(0.10)	0.01	(0.10)	0.02	(0.13)
Other	0.04	(0.20)	0.05	(0.22)	0.04	(0.20)	0.04	(0.19)	0.04	(0.20)	0.04	(0.21)

Table A2: Food Security Index Scores

Variable	Control Mean (N =2047)	ITT PG, All (N =2054)	ITT FD, All (N=2050)	DiD T2-T1
Food Insecurity Events (Sum of 8 Indicators, 0-8)	2.42	-0.34 ***	-0.41 ***	-0.07
Standardized: Food Insecurity Events (Sum of 8 Indicators, 0-8	0	-0.16 ***	-0.19 ***	-0.03
Reporting That Adults Cut/Skip Meals (30d)	0.46	-0.06 ***	-0.07 ***	-0.01
Number of Days Adults Cut/Skip Meals (30d)	2.05	-0.18	-0.22 **	-0.04
Reporting That Adults Went Whole Day With No Meals (30d)	0.36	-0.08 ***	-0.08 ***	-0.01
Number of Days That Adults Went Whole Day No Meals (30d)	1.35	-0.30 ***	-0.34 ***	-0.04
Reporting That Children Cut/Skip Meals (30d)	0.33	-0.06 ***	-0.09 ***	-0.02 *
Number of Days That Children Cut/Skip Meals (30d)	1.29	-0.21 ***	-0.33 ***	-0.11
Reporting That Children Whole Day No Meals (30d)	0.23	-0.04 ***	-0.06 ***	-0.02

Number of Days That Children Whole Day No Meals (30d)	0.82	-0.14 **	-0.24 ***	-0.10 *
Ate Less-Preferred Foods (30d)	0.36	-0.04 ***	-0.05 ***	0
Number of Days Household Ate Less-Preferred Foods (30d)	1.9	-0.15	-0.17	-0.02
Borrowed Food (30d)	0.35	-0.04 ***	-0.05 ***	-0.01
Number of Days Household Borrowed Food (30d)	1.4	-0.20 **	-0.19 **	0.01
Bought Food On Credit (30d)	0.29	-0.01	0	0.01
Number of Days Household Bought Food On Credit (30d)	1.47	-0.05	-0.1	-0.04
Gathered Wild Food/Etc. (30d)	0.03	-0.01	-0.01 **	0
Number of Days Household Gathered Wild Food/Etc. (30d)	0.08	-0.02	-0.02	-0.01
Ate Seed Stock (30d)	0.12	-0.01	-0.01	0
Number of Days Household Ate Seed Stock (30d)	0.44	-0.03	0.02	0.04
Ate Elsewhere Due To Shortage (30d)	0.15	-0.04 ***	-0.04 ***	-0.01
Number of Days Household Ate Elsewhere (30d)	0.5	-0.16 ***	-0.15 ***	0
Respondent Went To Bed Hungry (30d)	0.42	-0.08 ***	-0.07 ***	0.01
Number of Days Respondent Went To Bed Hungry (30d)	1.66	-0.41 ***	-0.42 ***	-0.01
Household Regularly Eats At Least Two Meals a Day	0.52	0.07 ***	0.09 ***	0.02
Household Regularly Eats Until Content	0.34	0.10 ***	0.07 ***	-0.03 *
Household Has Enough Food For Tomorrow	0.5	0.08 ***	0.09 ***	0.01
Food Insecurity Category is Moderate/Severe	0.32	-0.06 ***	-0.07 ***	-0.01

Table A3: Key Outcomes by Cohort

Variable	Control Mean, Cohort 2	ITT PG, Cohort 2	ITT FD, Cohort 2	DiD T2-T1, Cohort 2	Control Mean, Cohort 3	ITT PG, Cohort 3	ITT FD, Cohort 3	DiD T2-T1, Cohort 3	Control Mean, Cohort 4	ITT PG, Cohort 4	ITT FD, Cohort 4	DiD T2-T1, Cohort 4
Monthly Household Consumption (USD), Winsorized	214.25	25.25 ***	19.85 ***	-5.40	217.46	18.57 **	29.98 ***	11.41	218.07	21.46 ***	16.91 ***	-4.55
Total Household Asset Value (USD) Winsorized	855.50	218.63 ***	289.97 ***	71.34	1122.42	158.37 *	273.81 ***	115.45	832.68	257.12 ***	148.86 ***	-108.26 *
Total Durable Asset Value (USD) Winsorized	130.24	20.22 **	15.97	-4.25	120.30	21.90 ***	29.45 ***	7.55	126.88	24.84 ***	15.88 ***	-8.96
Total Agricultural Asset Value (USD) Winsorized	687.59	202.38 ***	267.56 ***	65.17	966.00	141.53	241.70 ***	100.17	688.00	212.75 ***	126.91 **	-85.84
Total Value of Business Assets (USD), Winsorized	67.93	43.31 ***	65.27 ***	21.97	41.75	60.03 ***	78.35 ***	18.32	88.36	31.79 ***	50.46 ***	18.67
Household Savings (USD), Winsorized	21.31	14.33 ***	22.72 ***	8.39 *	14.92	19.55 ***	23.07 ***	3.52	20.02	18.17 ***	12.68 ***	-5.50 *
Total Value of Business Savings (USD), Winsorized	5.02	2.37 *	4.90 ***	2.54	1.46	6.80 ***	9.22 ***	2.42	6.89	2.27 **	2.05 *	-0.22
Total Household Income (USD), Winsorized	40.34	8.00 ***	8.95 ***	0.94	40.47	7.06 ***	11.32 ***	4.25 *	44.13	5.50 ***	5.64 ***	0.14

Table A4. ITT Estimates on Main Outcomes across Settlements

Variable	ITT, PG Heloweyn	ITT, FD Heloweyn	ITT, PG Kobe	ITT, FD Kobe	ITT, PG Melkadida	ITT, FD Melkadida
Monthly Household Consumption (USD), Winsorized	16.43 **	8.64	22.19 ***	21.14 ***	28.16 ***	35.07 ***
Standardized: Monthly Household Consumption, Winsorized	0.13 **	0.07	0.18 ***	0.17 ***	0.23 ***	0.29 ***
Total Household Asset Value (USD), Winsorized	214.04 ***	257.25 ***	285.79 ***	181.71 *	199.36 ***	192.13 ***
Standardized: Total Household Asset Value, Winsorized	0.13 ***	0.16 ***	0.18 ***	0.11 *	0.12 ***	0.12 ***
Total Household Income (USD), Winsorized	6.69 ***	7.11 ***	4.04 **	6.65 ***	8.64 ***	9.35 ***
Standardized: Total Monthly Household Income, Winsorized	0.19 ***	0.20 ***	0.11 **	0.19 ***	0.24 ***	0.26 ***
Total monthly farming profit (USD), winsorized	0.45	0.23	0.59	0.63	-0.12	0.48
Total monthly livestock profit (USD), Winsorized	1.71 ***	1.35 ***	2.07 ***	2.48 ***	2.64 ***	2.72 ***
Total Monthly Employment Income (USD), Winsorized	1.35 *	1.19	0.58	-0.15	-1.20	-2.09 *
Total Monthly HH Business Profit (USD), Winsorized	-1.73	-0.05	-1.37	-0.38	0.36	1.08
Total Value of Business Assets (USD), Winsorized	42.74 ***	52.74 ***	20.09	55.00 ***	64.24 ***	77.02 ***
Household Savings (USD), Winsorized	22.62 ***	16.96 ***	15.72 ***	16.97 ***	14.01 ***	18.55 ***
Standardized: Household Savings, Winsorized	0.40 ***	0.30 ***	0.28 ***	0.30 ***	0.25 ***	0.33 ***
Poverty Likelihood % (From PPI)	-0.01	0.00	0.01	0.01	-0.01	-0.01
Food Insecurity Events (Sum of 8 Indicators, 0-8))	-0.19 *	-0.24 **	-0.19	-0.21 *	-0.70 ***	-0.81 ***
Standardized: Food Insecurity Events	-0.09 *	-0.11 **	-0.09	-0.10 *	-0.32 ***	-0.37 ***
Well-being Index - Scale 1-10	0.26 ***	0.36 ***	0.23 ***	0.19 ***	0.12 *	0.30 ***
Standardized: Well-being Index - Scale 1-10	0.18 ***	0.26 ***	0.16 ***	0.13 ***	0.09 *	0.22 ***
Women's Economic Empowerment Index (0-1)	0.04 ***	0.05 ***	0.03 ***	0.04 ***	0.03 ***	0.03 ***
Standardized: Women's Economic Empowerment Index (0-1)	0.28 ***	0.33 ***	0.19 ***	0.29 ***	0.23 ***	0.22 ***

Table A5. ITT Estimates on Main Outcomes, Gender Comparison

Variable	ITT, PG Female	ITT, PG Male	DiD PG, Female/Male	ITT, FD Female	ITT, FD Male	DiD FD, Female/Male
Monthly Household Consumption (USD), Winsorized	18.86 ***	31.44 ***	-12.17	17.30 ***	33.95 ***	-14.76
Total Household Asset Value (USD), Winsorized	174.83 ***	473.25 ***	-270.01 *	226.12 ***	223.51 *	36.42
Total Household Income (USD), Winsorized	5.64 ***	8.38 ***	-2.86	7.16 ***	9.83 ***	-1.67
Household Savings (USD), Winsorized	16.88 ***	20.16 ***	-3.3	17.47 ***	17.61 ***	0.68
Poverty Likelihood % (From PPI)	0.00	-0.01	0.01	0.00	0.00	0.00
Food Insecurity Events (Sum of 8 Indicators, 0-8)	-0.33 ***	-0.34 **	0.03	-0.41***	-0.37 ***	-0.03
Standardized: Food Insecurity Events	-0.15 ***	-0.16 **	0.01	-0.19 ***	-0.17 ***	-0.01
Well-being Index - Scale 1-10	0.19 ***	0.27 ***	-0.07	0.31 ***	0.22 ***	0.10

Standardized: Well-being Index - Scale 1-10	0.13 ***	0.19 ***	-0.05	0.22 ***	0.16 ***	0.07
Women's Economic Empowerment Index (0-1)	0.03 ***	0.03 *	0.01	0.04 ***	0.03 **	0.01
Standardized: Women's Economic Empowerment Index (0-1)	0.24 ***	0.18 *	0.09	0.30 ***	0.20 **	0.10

Figure A1: Targeting PPI Quintiles

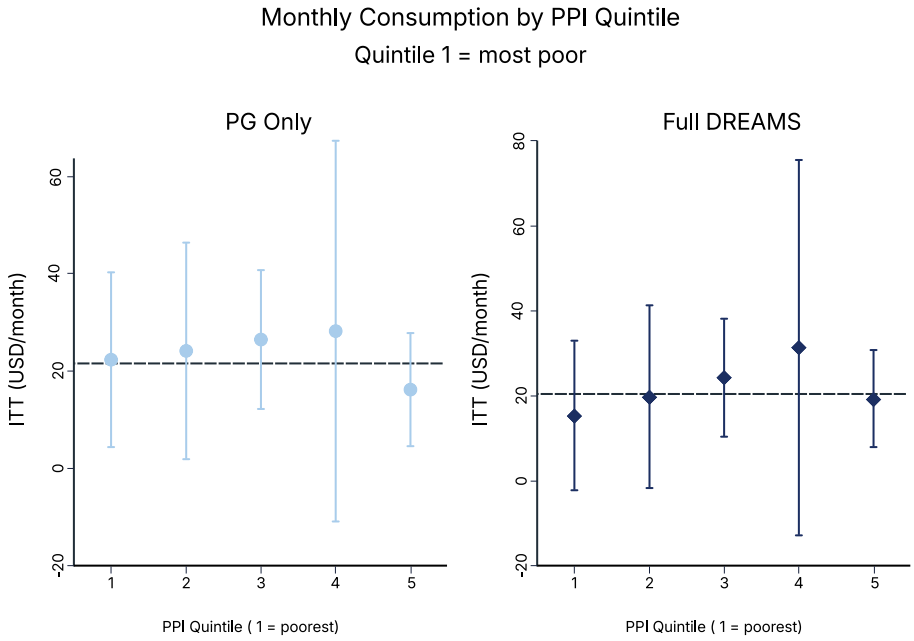


Table A6: Program Feedback

Variable	PG Only, N=2054		Full Dreams, N=2050		Refugees PG, N=1484		Refugees FD, N=1484		Host PG, N=570		Host FD, N=566	
	n	(%)	n	(%)	n	(%)	n	(%)	n	(%)	n	(%)
Most Appreciated Part of the DREAMS Program: Grants	2054	73.08	2050	72.54	1484	71.16	1484	71.29	570	78.07	566	75.80
Most Appreciated Part of the DREAMS Program: Trainings	2054	12.95	2050	12.54	1484	13.07	1484	12.47	570	12.63	566	12.72
Most Appreciated Part of the DREAMS Program: Mentoring	2054	4.28	2050	3.90	1484	4.99	1484	4.51	570	2.46	566	2.30
Most Appreciated Part of the DREAMS Program: Business Selection	2054	3.80	2050	3.80	1484	4.72	1484	4.45	570	1.40	566	2.12
Most Appreciated Part of the DREAMS Program: Vouchers	2054	3.99	2050	5.07	1484	4.25	1484	5.66	570	3.33	566	3.53
Most Appreciated Part of the DREAMS Program: All components	2054	1.51	2050	1.66	1484	1.48	1484	1.48	570	1.58	566	2.12
Most Appreciated Part of the DREAMS Program: Others	2054	1.90	2050	2.15	1484	1.82	1484	1.62	570	2.11	566	3.53
Respondent Reports Being Richer Than 1yr Ago	2054	91.09	2050	90.73	1484	89.82	1484	89.82	570	94.39	566	93.11
Respondent Reports Being Poorer Than 1yr Ago	2054	6.09	2050	5.90	1484	7.14	1484	6.67	570	3.33	566	3.89
Reporting Neither Being Richer or Poorer Than 1yr Ago	2054	2.63	2050	3.12	1484	2.83	1484	3.23	570	2.11	566	2.83

Appendix B: Treatment-on-the-Treated

Appendix B presents the **Treatment-on-the-Treated (TOT) estimates**, which measure the program's effect only on those households that actively participated in the core DREAMS components. The TOT estimates typically serve as a secondary measure of impact and are compared to the primary Intention-to-Treat (ITT) estimates. Given the low rate of control group participation and high rate of compliance in the treatment group, the TOT estimates are found to similar to the ITT estimates in directionality, with some estimates being higher than the ITT estimates like consumption,

To ensure robustness, the report includes two distinct definitions of "treated" based on the level of participation:

- **Narrow Definition (Full Package):** A household is considered "treated" only if it engaged in the core sequence of the program, defined as **starting/running a business with Business Savings Group (BSG) members and receiving financial capital** (which includes Seed Grants, BSG loans, or vouchers). This definition tests the theory that impact is only realized with the delivery of the full, integrated DREAMS package.
- **Broad Definition (Any Major Component):** A household is considered "treated" if it has completed any major component of the intervention, including **joining a BSG, starting a business with BSG members, receiving mentoring/support from Village Enterprise, receiving a loan from Village Enterprise, or receiving discounts/vouchers.** This definition tests the theory that any individual component from the integrated approach may be sufficient to improve outcomes.

Table B1. Treatment-on-Treated Estimates of Main Outcomes

Variable	# Obs	Ctrl Mean	TOT PG, Broad	TOT FD, Broad	TOT PG, Narrow	TOT FD, Narrow
Monthly Household Consumption (USD), Winsorized	6151	198.71	56.71 **	39.45 *	37.77 ***	38.37 ***
Total Household Asset Value (USD), Winsorized	6096	722.32	-107.43	433.08	354.54 ***	508.24 ***
Total Household Income (USD), Winsorized	6043	42.55	0.07	7.83	5.33 **	2.35
Household Savings (USD), Winsorized	6149	22.42	25.05 ***	34.83 ***	12.59 ***	8.30
Poverty Likelihood % (From PPI)	6151	0.43	-0.04	0.05	-0.06 ***	-0.07 ***
Food Insecurity Events (FIES-8 style sum, 0-8)	6151	1.83	0.53	-0.24	0.11	0.18
Standardized: Food Insecurity Events (FIES-8 style sum, 0-8)	6151	-0.27	0.24	-0.11	0.05	0.08
Well-being Index - Scale 1-10	6151	8.42	0.60	0.39	0.35 ***	0.78 ***
Standardized: Well-being Index - Scale 1-10	6151	-0.15	0.43	0.28	0.25 ***	0.56 ***
Women's Economic Empowerment Index (0-1)	5579	0.23	0.09 ***	0.06	0.03 ***	0.12 ***
Standardized: Women's Economic Empowerment Index (0-1)	5579	-0.21	0.61 ***	0.45	0.24 ***	0.88 ***

Appendix C: Detailed Consumption & Asset Results

Table C1. ITT Estimates on Individual Consumption Items

Variable	Control Mean (ETB)	ITT, PG	ITT, FD	p-value, PG	p-value, FD	q-value, PG	q-value, FD
Millet	1157.94	-251.62	-244.83	0.44	0.46	0.33	0.53
Sesame	205.24	-53.07	-32.40	0.34	0.53	0.31	0.53
Sorghum	332.36	71.70	54.02	0.02	0.07	0.09	0.17
Goat / Mutton Meat	1325.18	249.98	340.52	0.01	0.00	0.09	0.01
Chickpea	319.85	-8.87	-35.32	0.76	0.18	0.47	0.29
Natural Honey	215.57	82.85	76.77	0.11	0.17	0.16	0.29
Processed Pulses (Shiro)	109.10	13.10	-10.00	0.36	0.45	0.31	0.53
Rice	2989.18	230.64	280.17	0.00	0.02	0.01	0.05
Milk	936.29	239.52	265.68	0.00	0.00	0.01	0.00
Wheat	847.88	138.53	92.15	0.05	0.04	0.13	0.13
Maize Flour	1001.11	85.21	26.14	0.17	0.67	0.21	0.56
Maize (Cob)	447.76	-4.56	-48.02	0.90	0.13	0.50	0.29
Popcorn	74.34	8.44	-1.80	0.44	0.83	0.33	0.67
Beef	41.49	20.02	20.07	0.19	0.18	0.23	0.29
Pasta/Macaroni	1336.05	110.54	138.24	0.03	0.01	0.10	0.04
Haricot Beans	256.10	37.37	14.53	0.09	0.52	0.16	0.53
Sugar	3312.81	-59.08	14.60	0.80	0.95	0.47	0.69
Bread/Biscuits	42.80	18.76	-13.34	0.10	0.14	0.16	0.29
Avocado	29.19	-0.85	1.75	0.89	0.80	0.50	0.65
Oils	2514.77	198.50	212.10	0.02	0.00	0.09	0.02
Oats	199.83	4.49	-1.09	0.86	0.96	0.49	0.69
Injera	297.11	46.19	-25.69	0.14	0.38	0.19	0.53
Vetch	182.82	52.27	55.20	0.04	0.03	0.11	0.10
Lentils	549.94	22.67	43.46	0.47	0.20	0.34	0.31
Mango	64.44	18.98	3.60	0.13	0.70	0.18	0.56
Full Meals (Outside the Home)	49.96	102.66	50.64	0.00	0.01	0.01	0.04
Soda	102.81	20.23	10.25	0.07	0.36	0.15	0.53
Bottled Water	69.08	11.95	12.09	0.20	0.17	0.23	0.29
Coffee	72.66	-7.12	-23.84	0.70	0.14	0.47	0.29
Tomato	1002.79	52.03	33.64	0.09	0.28	0.15	0.44
Banana	361.85	39.99	79.39	0.02	0.00	0.09	0.01
Potato	709.69	45.99	75.86	0.03	0.00	0.10	0.01
Sweet Potato	42.72	-6.91	-22.47	0.42	0.00	0.33	0.02
Onion	594.26	36.25	52.66	0.09	0.02	0.15	0.05
Horsebeans	107.53	4.88	1.45	0.73	0.92	0.47	0.69
Garlic	191.32	30.97	40.21	0.08	0.06	0.15	0.15
Tea	4266.04	-185.10	-226.08	0.71	0.65	0.47	0.56
Camel Meat	339.57	281.03	331.45	0.00	0.00	0.00	0.00
Other Cereal	76.04	18.13	-28.38	0.63	0.24	0.45	0.36

Variable	Control Mean (ETB)	ITT, PG	ITT, FD	p-value, PG	p-value, FD	q-value, PG	q-value, FD
Other Pulse / Nut	1.65	5.04	3.18	0.04	0.36	0.11	0.53
Soap	443.26	28.09	43.93	0.02	0.00	0.09	0.01
Firewood	547.82	100.74	36.59	0.02	0.15	0.09	0.29
Charcoal	150.69	1.08	49.09	0.97	0.23	0.54	0.36
Batteries	76.26	5.47	4.19	0.08	0.16	0.15	0.29
Toothpaste	9.56	0.85	-0.99	0.74	0.69	0.47	0.56
Matches	33.62	11.86	2.23	0.08	0.73	0.15	0.57
Transport	359.07	95.85	59.92	0.15	0.38	0.19	0.53
Staff salaries	47.53	7.49	-8.59	0.65	0.52	0.45	0.53
Women's Clothing	443.74	22.91	34.19	0.35	0.18	0.31	0.29
Men's Clothing	411.53	52.31	41.29	0.00	0.01	0.02	0.04
Kid's Clothing	295.09	36.45	43.62	0.03	0.01	0.10	0.04
Cosmetics	81.08	5.56	3.27	0.51	0.68	0.37	0.56
Educational Expenses	270.71	47.45	20.31	0.05	0.34	0.13	0.53
Health Expenses	239.23	39.73	25.99	0.05	0.18	0.13	0.29
Furniture	52.48	21.38	28.50	0.00	0.00	0.04	0.01
Bicycle/Motorcycle	113.37	-13.03	-24.43	0.84	0.69	0.49	0.56
Appliances	16.13	4.80	6.73	0.11	0.05	0.16	0.14
Social Expenses	82.47	58.07	0.52	0.01	0.97	0.09	0.69

Table C2. ITT Estimates on Individual Asset Items

Variable	Control Mean (ETB)	ITT, PG	ITT, FD	p-value, PG	p-value, FD	q-value, PG	q-value, FD
Mattress/Beds	3418.09	1143.40	529.69	0.04	0.00	0.15	0.02
Blanket	440.94	93.75	90.77	0.01	0.02	0.05	0.08
Pickaxes	67.67	-9.69	-6.86	0.19	0.34	0.34	1.00
Tape Recorders	49.05	9.59	-2.15	0.29	0.80	0.47	1.00
Solar Devices	484.08	64.13	33.56	0.43	0.64	0.66	1.00
Watches/Clocks	95.75	8.61	4.60	0.60	0.84	0.66	1.00
Ploughs	609.50	-126.79	308.97	0.51	0.40	0.66	1.00
Hand-drawn Cart	194.65	2.80	13.30	0.92	0.64	0.86	1.00
Animal-drawn Cart	6312.99	1588.64	1973.08	0.00	0.00	0.03	0.02
Water Storage Pit	342.74	-24.04	-59.01	0.76	0.50	0.81	1.00
Jewels	108.21	-1.75	81.88	0.98	0.59	0.90	1.00
Shelves	439.99	-122.84	-125.79	0.19	0.20	0.34	0.60
Motorcycle	2056.67	1287.66	160.74	0.18	0.78	0.34	1.00
Panga	60.72	17.43	16.95	0.07	0.04	0.21	0.11
Hoe	118.76	26.65	19.86	0.06	0.14	0.20	0.40
Djembe	13.65	0.91	0.65	0.84	0.88	0.81	1.00
Hankol	20.70	7.71	0.14	0.09	0.96	0.22	1.00
Mosquito Net	801.28	66.28	125.63	0.02	0.00	0.08	0.00
Mobile Phones	4135.61	1057.59	886.32	0.00	0.00	0.00	0.00

Variable	Control Mean (ETB)	ITT, PG	ITT, FD	p-value, PG	p-value, FD	q-value, PG	q-value, FD
Kitchen Equipment	1270.81	36.05	8.66	0.54	0.89	0.66	1.00
Solar Panel	334.40	145.39	40.79	0.09	0.59	0.22	1.00
Goats	24033.68	13101.94	12468.99	0.00	0.00	0.00	0.00
Sheep	7409.40	2570.68	2037.47	0.00	0.00	0.00	0.02
Donkey	6095.82	1395.30	1734.49	0.00	0.00	0.00	0.00
Camel	2005.86	747.30	-829.24	0.52	0.25	0.66	0.72
Cows	7660.48	1759.68	2259.62	0.11	0.04	0.26	0.11
Calves	842.21	32.02	20.75	0.91	0.93	0.86	1.00
Heifers	235.12	42.96	-13.52	0.52	0.82	0.66	1.00
Bulls	1798.24	-120.94	34.61	0.83	0.95	0.81	1.00
Oxen	502.56	123.37	-134.36	0.55	0.45	0.66	1.00
Chickens	514.91	98.69	81.83	0.22	0.27	0.37	0.72
Agricultural Land	346853.76	-110000.00	-160000.00	0.60	0.42	0.66	1.00
Non-agricultural Land	24391.92	1188.60	2499.05	0.80	0.56	0.81	1.00

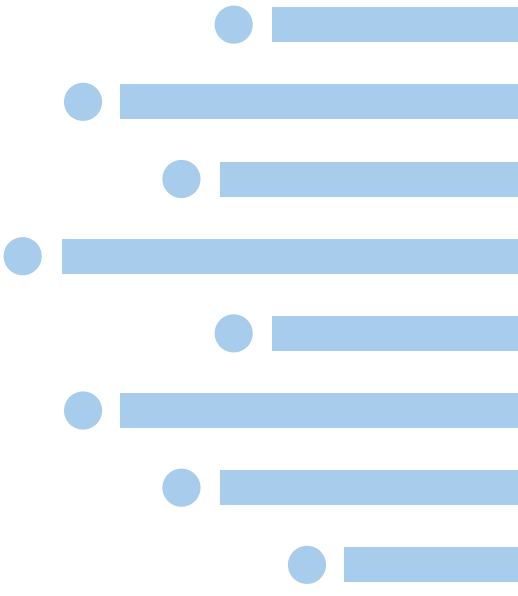
Appendix D: Non-winsorized Outcomes

Table D1. ITT Estimates on Non-Winsorized Main Outcomes

Variable	# Obs	Ctrl Mean	ITT, PG	ITT, FD	Ctrl Mean, Refugee	ITT, Refugee (PG)	ITT, Refugee (FD)	Ctrl Mean, Host	ITT, Host (PG)	ITT, Host (FD)
Monthly Household Consumption (USD)	6151	225.84	16.68 ***	14.71 **	208.74	12.93	14.07 *	268.88	24.50 ***	17.51 **
Weekly Food Consumption (USD)	6136	40.42	2.58 **	2.40 **	37.76	1.93	2.24	47.1	4.08 ***	3.01 *
Total Household Asset Value (USD)	6098	2936.37	-535.67	-910.22	361.69	160.55 ***	142.80 ***	9289	-2114.37	-3457.49
Total Durable Asset Value (USD)	6151	139.93	34.47 ***	27.14 ***	109.64	18.27 ***	15.91 **	216.18	75.86 ***	56.82 ***
Total Agricultural Asset Value (USD)	6151	2754.84	-558.88	-923.18	244.89	145.47 ***	130.15 ***	9072.82	-2193.55	-3526.33
Total Value of Business Assets (USD)	6151	150.25	244.58	48.71	74.05	102.6	61.63 ***	342.04	658.42	18.12
Total Household Savings (USD)	6149	22.14	46.41 ***	33.97 ***	11.9	30.68 ***	24.87 ***	47.9	87.53 **	58.30 ***
Total Value of Business Savings for HH (USD)	6151	6.93	38.63	8.81 ***	4.39	12.1	5.58 ***	13.34	114.75	17.86 ***
Total amount of loans taken by HH (USD)	6151	28.62	11.31 **	12.19 **	24.2	6.75 ***	5.31 **	39.75	24.43	30.41 *
Total amount of loans remaining to be repaid by HH (USD)	6151	16.26	5.36	0.81	14.68	1.08	-0.04	20.26	18.13	3.32
Total amount worth of business loans (USD)	6151	4.3	0.73	0.97	3.71	0.66	1.16	5.8	0.48	0.79
Total amount HH has to repay business loans (USD)	6151	1.76	1.02	0.39	1.86	0.53	0.11	1.52	1.97	1.11
Land Cultivated by HH (Hectares)	1608	32.84	-9.85	-12.75	47.32	-18.71	-21.27	20.91	-3.74	-5.3
Agriculture Land Owned by HH (Hectares)	6127	245.68	-239.41	-229.8	0.07	-0.02	-0.06	870.38	-921.83	-870.83
Non-Agriculture Land Owned by HH (hectares)	6086	1.15	103.4	146.52	0.2	-0.07	-0.04	3.62	340.72	501.68
Total Household Income (USD), Winsorized	6043	42.14	6.05 ***	7.24 ***	34.48	5.95 ***	7.82 ***	61.15	6.61 ***	6.34 ***
Total Monthly HH Business Income (USD)	6151	18.18	11.89 ***	17.05 ***	13.49	14.00 ***	17.18 ***	29.98	6.82	17.03 **
Total Monthly HH Business Expenses (USD)	6151	15.36	14.03 ***	15.49 ***	11.52	15.76 ***	16.23 ***	25.04	9.57	14.15 **
Total Monthly HH Business Profit (USD)	6151	2.16	-0.73	-0.06	0.87	1.34	0.34	5.42	-5.75	-1.23
Total monthly farming income (USD)	6151	6.45	2.45	1.1	3.84	2.6	0.91	13	1.85	1.47
Total monthly farming inputs - seed/fertilizer (USD)	6151	2.01	0.63	-0.12	1.19	0.09	0.09	4.1	2.21	-0.7
Total monthly farming irrigation/land/equipment expenses (USD)	6151	1.38	0.47	0.31	0.93	0.35	0.25	2.52	0.71	0.41
Total monthly farming labor expenses (USD)	6151	0.65	0.47	0.42 *	0.28	0.08	0.57 *	1.58	1.62	0.02
Total monthly farming profit (USD)	6151	2.4	0.87	0.49	1.44	2.08	0	4.81	-2.68	1.73
Total monthly livestock income (USD)	6151	5.11	4.84 ***	5.92 ***	3.15	4.86 ***	5.87 ***	10.04	4.69 ***	6.12 ***

Total monthly livestock expenses - breeding/housing/ feed (USD)	6151	1.7	1.96 ***	2.20 ***	1.05	1.96 ***	2.27 ***	3.35	1.78 **	2.04 **
Total monthly livestock expenses - labor (USD)	6151	0.62	0.36 ***	0.62 ***	0.33	0.57 ***	0.74 ***	1.35	-0.16	0.3
Total monthly livestock expenses - other (USD)	6151	0.66	0.43 ***	0.53 ***	0.34	0.57 ***	0.55 ***	1.47	0.05	0.47
Total monthly livestock profit (USD)	6151	2.12	2.10 ***	2.58 ***	1.43	1.77 ***	2.31 ***	3.87	3.03 ***	3.30 **
Total Monthly Employment Income (USD)	6151	6.8	0.75	0.4	2.8	0.25	0.57	16.88	2.23	0.03
HH has received gifts from family or friend (12 months)	6151	0.21	-0.03 **	-0.02	0.18	-0.02	-0.01	0.29	-0.04 *	-0.03
Total Monthly Value of Gifts/ Transfers (USD)	1188	3.8	0.41	0.3	3.84	0.07	0.05	3.74	0.64	0.66

I.



www.IDinsight.org
@IDinsight

IDinsight