

# Refugee Livelihoods and Economic Inclusion

2019-2023 Global Strategy Concept Note

**Engage in advocacy to enhance the enabling environment** such that refugees have legal and de facto access to decent work (such as through rights to work, own a business, access financial services, land/property ownership, and freedom of mobility).

**Partner with and convene expert entities to facilitate inclusion of refugees into existing programmes/services.**

- Conduct consultations with different types of stakeholders, such as:
  - Financial and Business Development Service Providers
  - Private Sector (companies, chambers of commerce, employment agencies, business associations)
  - Training Institutes (public and private)
  - Development Actors
  - NGOs
  - Governments
  - UN Agencies
  - Academia and Research Institutions
- Complete an institutional mapping exercise to see if inclusion is viable, considering:
  - Whether actors have relevant services for refugees;
  - Capacity, incentives and influence of actors to include all targeted refugees; and
  - Expertise of entities and quality of market-based interventions.

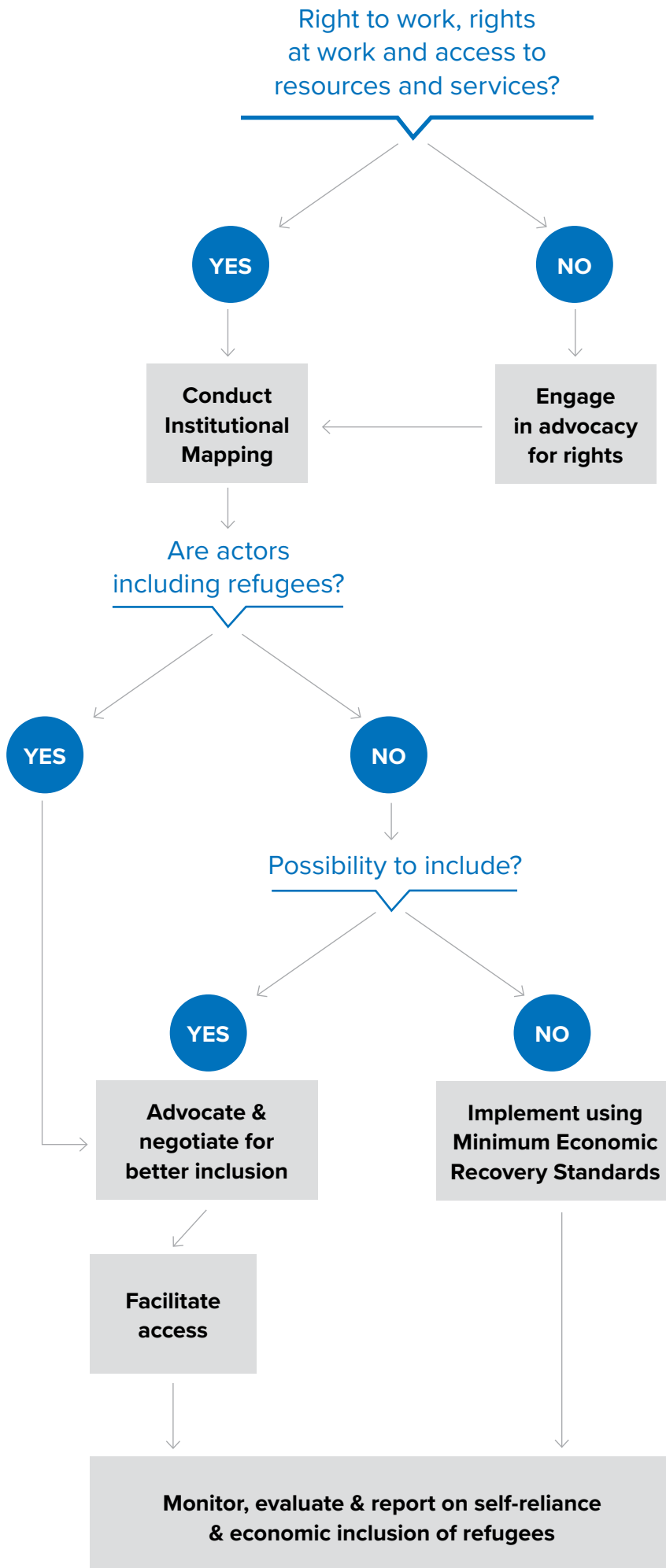


**As a last choice, implement interventions to fill a gap in service only when:**

- There is limited or no presence of expert entities who can include refugees; or
- The engagement of other stakeholders is not possible or still insufficient to meet the needs of refugees.

In cases of implementation, operations are recommended to apply the **Minimum Economic Recovery Standards**, which were initially a great contributor to the development of the Minimum Criteria for Livelihoods Programming.

# Decision Tree



## 1. Purpose

The New York Declaration for Refugees and Migrants<sup>1</sup> and its [Global Compact on Refugees \(GCR\)](#) including the [Comprehensive Refugee Response Framework \(CRRF\)](#) call for the enhancement of refugee resilience and self-reliance, as well as the need for and benefit of taking on a whole-of-society approach. Based on the learning from the roll-out of the CRRF, the development of the GCR, in addition to experience built internally through the Minimum Criteria for Livelihoods Programming, this Concept Note provides a framework to UNHCR operations on the approach of livelihoods and economic inclusion programmes for refugees.

## 2. Rationale: why economic inclusion for refugees?

[Improving livelihoods through economic inclusion](#) is a key component of achieving protection and solutions outcomes for refugees. Economic inclusion entails access to labour markets, finance, entrepreneurship and economic opportunities for all, including non-citizens in addition to vulnerable and underserved groups<sup>2</sup>. Economic inclusion contributes to the self-reliance and resilience of refugees, empowering them to meet their needs in a safe, sustainable and dignified manner; avoids aid-dependency and negative coping mechanisms; contributes to their host economies; and prepares refugees for their future whether they return home, integrate in their country of asylum or resettle in a third country. Economic inclusion starts from the beginning of the refugee influx, and leveraging the provision of both humanitarian assistance and educational opportunities at this stage can lead to better outcomes for refugees in later phases of displacement. It is important to recognize that positive outcomes for livelihoods and economic inclusion require multi-year strategic planning.

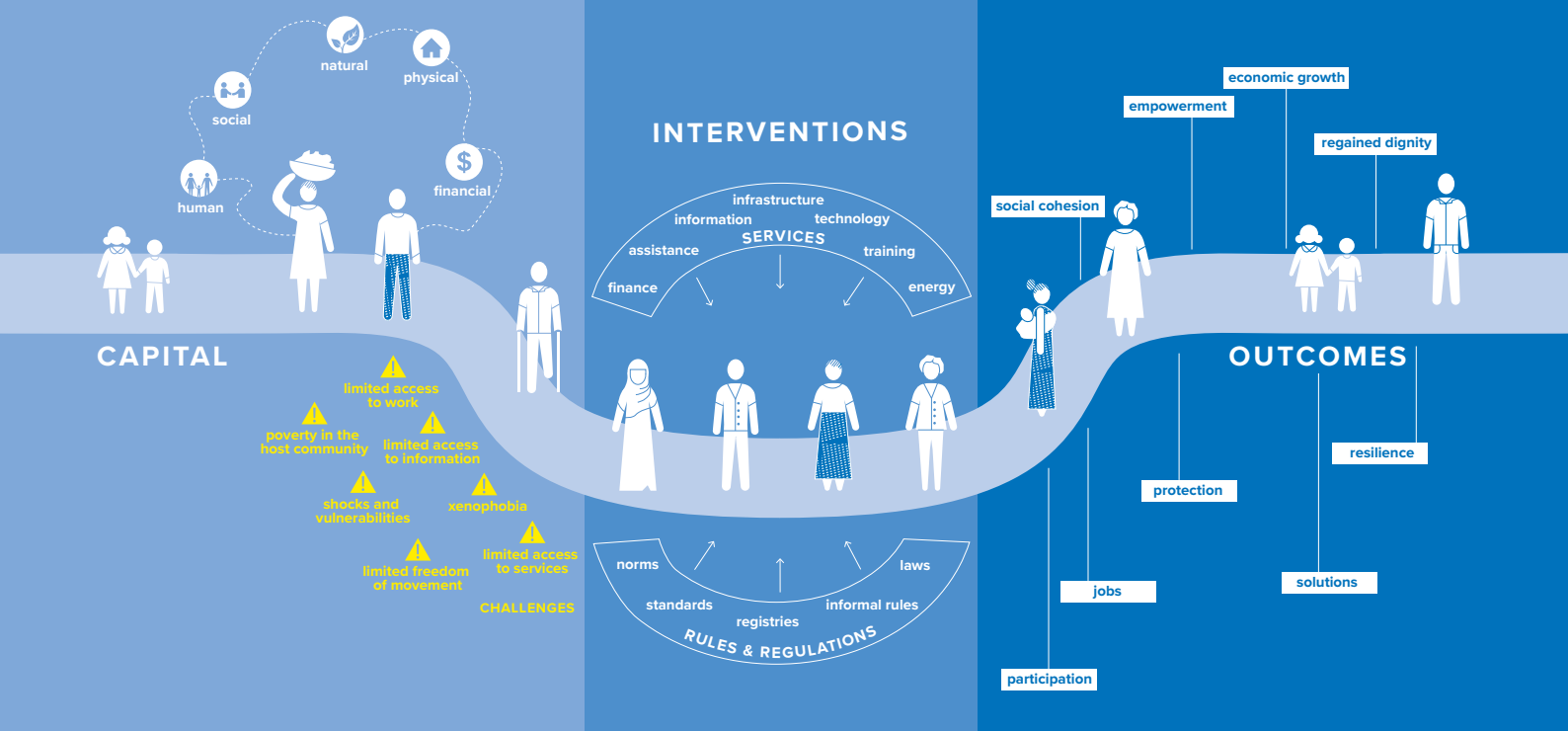
<sup>1</sup> General Assembly Resolution 71/1.

<sup>2</sup> Links to definitions from UNESCO and European Bank for Reconstruction and Development can be found at: <http://www.unesco.org/new/en/social-and-human-sciences/themes/urban-development/migrants-inclusion-in-cities/good-practices/economic-inclusion/>; <https://www.ebrd.com/what-we-do/projects-and-sectors/economic-inclusion.html>

A woman stands in a field at Gado refugee site near Cameroon's eastern border. Gado is home to some 25,000 people who have fled sectarian violence.  
© UNHCR/Xavier Bourgois



## Improving livelihoods of forcibly displaced persons and host communities through economic & financial inclusion



### 3. Economic inclusion and the enabling environment

As shown in *Figure 1* above, refugees' livelihoods outcomes and economic inclusion are supported (or restricted) by a number of issues. Inclusion into a [market system](#) (such as through wage or self-employment) depends not only on access to a wide range of support services including finance, training, access to education at all levels, coaching and job placement services, but also on a conducive enabling environment shaped by rules and regulations governing rights and security. Understanding the market system and the challenges refugees may face in inclusion is key for strategizing how best to design and engage in interventions enhancing their economic inclusion.

#### *The right to work*

As part of the enabling environment, the [right to work](#), other related rights and access to relevant resources and services facilitate the economic inclusion of refugees. The right to work for refugees is provided in Articles 17-19 and 24 of the [1951 Convention](#)<sup>3</sup>. The right to work and labour rights are also prescribed in international and regional human rights instruments, including in Article 23 of the [Universal Declaration of Human Rights](#) and [ILO Recommendation 205](#). Moreover, Article 6 of the [International Covenant on Economic Social and Cultural Rights](#) contains a provision legally binding states to safeguard everyone's right to gain a living through work.

<sup>3</sup> The right to work for refugees is protected in the 1951 Convention, in articles 17 - 19. Refugees who are "lawfully in" the country of asylum, including asylum-seekers, have the right to engage in self-employment on conditions applying to foreign nationals generally, according to Article 18. Refugees who are "lawfully staying", that is have been granted status and are holding temporary or permanent residence permits in the country of asylum, have the right to engage in wage-earning employment on the same conditions as the most favoured foreign nationals in the same circumstances, according to Article 17, and in liberal professions for which they are qualified, under the same conditions as foreign nationals generally in the same circumstances, according to Article 19.

According to Article 24 of the 1951 Convention, refugees who are "lawfully staying" are entitled to the same treatment as nationals concerning basic labour rights of employed workers and their social security, including just and favourable conditions at work, (fair remunerations, hours of work, holidays, collective bargaining, etc.) in so far as such rights are regulated in law or are subject to the control of administrative authorities.



Congolese refugee Ruffin Musulu (center) owns and operates three pharmacies in eSwatini (formerly known as Swaziland) that employs several nationals.  
© UNHCR/Tina Ghelli

Nonetheless, refugees are not allowed to work in around 50% of asylum countries. Even when the legal right to work is granted, several barriers often hinder the *de-facto* access to work. The absence of other close or related enabling rights (such as freedom of movement, housing, land, education, justice and property rights) or lack of access to relevant services (such as financial services, training, certification, social protection, or employment and business registration) can effectively hinder refugees from fully enjoying the right to work. Various research studies<sup>4</sup> have identified additional barriers including political economy concerns, labour market structures of hosting countries (such as capacity and conditions), discrimination and xenophobia, limited resources/skills, exorbitant permit fees, and physical location of refugees and refugee settings. These barriers mean that many may end up working in the informal economy, where they risk exploitation, discrimination, arrest and other abuses. While in some contexts, host community members also face similar challenges, refugees are especially vulnerable given their situation of displacement.

### *The need for advocacy*

Given the existing challenges, there is a need for UNHCR and partners to advocate for an environment that will enable the economic inclusion and livelihoods of refugees and enhance their access to **decent work**. Advocacy efforts should be anchored in context-specific strategies and build on the evidence base demonstrating the positive impact that economic inclusion can have on refugees and host communities. Data and analysis highlighting the potential of economic inclusion is essential, and UNHCR is working on research with expert agencies toward this end.

<sup>4</sup> A few examples include but are not limited to: <https://www.knomad.org/publications>; <https://ourworld.unu.edu/en/the-contributions-of-refugees-lifting-barriers-to-inclusion>; <http://ec.europa.eu/social/main.jsp?catId=1274&langId=en>; <https://academic.oup.com/jrs/article/21/2/166/1621262>

## 4. Partnerships and the role of UNHCR in economic inclusion

### 4.1. Partners

Improving livelihoods and achieving economic inclusion of refugees cannot be done by UNHCR alone and requires the engagement of a broad range of stakeholders, leveraging the added value and strategic positioning of different actors. The specific types of partnerships established (whether implementing, operational or another engagement) will vary for each context and partner, depending on factors such as expertise, incentive and capacity. The arrangements of actors at both international and national levels to implement the [Global Compact on Refugees \(GCR\)](#) will form a great opportunity for the inclusion of refugees in economic systems and development agendas. This could be one of the most important platforms at the country and regional levels to foster the resilience and self-reliance of refugees in a manner that also benefits host communities.

In contexts where other actors are already engaged in livelihoods interventions, UNHCR should not create parallel systems through implementation. Rather, to the extent possible, UNHCR's priority should be to play a facilitation and advocacy role, enabling and convening relevant stakeholders to include refugees in services/programmes and push forward the inclusion agenda. Before designing and implementing livelihoods interventions, multi-functional teams in UNHCR operations should strategically decide whether to budget for and implement livelihoods and if so, what the operation's engagement in this sector should look like based on comparative advantage vis-a-vis the expertise, incentive and capacity of other organizations. In many situations, UNHCR may not be the best placed to fund or implement livelihoods interventions, but has a comparative advantage to mobilise partners, provide outreach, socio-economic data on refugees, information to influence advocacy for inclusion, context analysis, targeting support in reference to the economic/occupational skill sets and demographic profiles of refugees, access to target populations, documentation, protection considerations and monitoring of risks and impact (including understanding age, gender, diversity dynamics and addressing them), logistics, resource mobilization among stakeholders and coordination.

In consideration of each actor's added value, UNHCR operations may partner with relevant expert entities including those below for the economic inclusion of refugees. Efforts to understand the possibility of inclusion of refugees into existing services and programmes should be undertaken by UNHCR operations through consultations with each partner. [Partnerships](#) have been established at the global level and can be leveraged by operations and support linkages in the field.

- o [Financial service providers \(FSPs\)](#) - FSPs such as microfinance institutions, banks, development agencies and impact investors can facilitate the financial inclusion of refugees. These services do not necessarily have to be funded by UNHCR. Alternatively, UNHCR's added value may entail advocacy, building the business case and providing appropriate incentives to promote the financial inclusion of refugees. This can be done through data-sharing, technical assistance on tailoring services to the specific needs of refugees, awareness-raising, creating linkages between partners, conducting financial research and assessments and facilitating innovative models<sup>5</sup> for risk-sharing.

<sup>5</sup> One example is the Credit Guarantee Facility established by the Livelihoods and Economic Inclusion Unit in partnership with SiDA and UNCDF aimed at incentive debt financing to financial institutions willing to provide credit to refugees. The project will be implemented for 5 years and will be initially rolled out in Jordan, Lebanon and Uganda.

- **Private sector**<sup>6</sup> - UNHCR engagement with the private sector (including but not limited to companies, chambers of commerce, private employment services and business incubators) can increase the wage- or self-employment of refugees through advocacy efforts and investments in/development of refugee employability initiatives such as companies offering trainings, mentorship programmes, internships and apprenticeships. Collaboration with the private sector can also establish links and innovative business models with global supply chains for products made by refugees to promote shared value. Finally, partnering with companies that have relevant products or services to sell to refugees can not only increase their access to important products/services, but also create sustainable jobs for refugees and host community members involved throughout the value chain (e.g. production, sales, marketing or logistics).
- **Development actors** - Development actors are often the best placed to lead on livelihoods interventions. Collaborating with development actors can help bridge the humanitarian-development divide in the response to displacement needs, enabling greater access to development expertise, funding and resources, as well as strengthened linkages with governments, the private sector and other key actors. Development actors have a pivotal role in the stimulation of local economic growth in host countries, providing opportunities for greater integration of refugees into the labour market.
- **NGOs** - Similar to development actors, NGOs with livelihoods expertise are often well placed to implement market-based livelihoods interventions for refugees, or to include them in existing services.
- **Governments** - Partnering with relevant line ministries (such as Ministries in charge of Labour, Employment, Education and Vocational Training, Social Development, Youth, etc.) to include refugees into national systems and policies can help ensure sustainable livelihoods for refugees and positive impacts on hosting economies. Engagement with local governments can promote inclusive policies for housing, employment, education, non-discrimination, access to markets and productive assets, innovation and entrepreneurship support.
- **UN agencies** - Coordination with sister agencies that have links to livelihoods programmes (such as the International Labour Organization, United Nations Development Programme, World Food Programme, and Food and Agriculture Organization with their respective mandates related to building resilience, promoting decent work and sustainable poverty alleviation) can help in resource mobilization and unify approaches towards the economic inclusion of refugees. Coordination also entails participation in the United Nations Country Team and other relevant working groups to determine how to work together for the economic inclusion of refugees.
- **Academia and research institutions** - Research highlighting the potential and positive impacts of the economic inclusion of refugees can help with advocacy efforts. UNHCR can partner with research institutions to provide data and help build the case for inclusion.

<sup>6</sup> All engagement with the Private Sector is subject to a Due Diligence process to ensure the selection of optimal partners and partnerships with the objective to protect UNHCR's reputation, and more importantly, to leverage the Private Sector Partnerships on behalf of refugees around the world. When facilitating refugee employment UNHCR will engage only with companies compliant with international and national labour laws, local wage standards and those with policies in place to prevent exploitation and abuse.

### ***Cash-Based Initiatives create livelihoods opportunities***

One of the most powerful aspects of creating a more enabling environment for refugee economic inclusion lies within the remits of UNHCR's and host governments' responsibilities– namely shifting from in-kind distribution of products and services to the provision of cash based interventions (CBIs)<sup>7</sup> instead. CBIs can be used in a variety of settings, as long as there is a stable and functioning market and a safe way to provide refugees with cash or vouchers. The flexibility that CBIs offers provides a more dignified form of assistance, giving refugees the ability to prioritise and choose what they need and boost the local economy through purchases. Livelihoods activities that can be supported through multi-purpose cash might include different types of investments in business and employment such business grants, cash for training, etc.

### ***Access to education creates opportunities for livelihoods and economic inclusion***

Access to quality education is the foundation for ensuring that refugees gain the relevant skills and competencies, including technical and vocational skills, for employment, decent jobs, academia and entrepreneurship to successfully integrate in the economy. The inclusion of refugees in national education systems, technical and vocational trainings and higher education programmes helps ensure that younger generations develop problem-solving and other cognitive, interpersonal, social, civic, academic and computer/digital literacy skills needed for the labour market. Investment in the access to primary, secondary and tertiary education for refugees ensures that a greater variety of options are open to them, that they are competitive and interesting for employers based on their competencies. Refugees need specific support in the transition from one education cycle to the other, as many (specifically girls) drop-out before completing an education cycle or transitioning to the next. Adolescents are particularly vulnerable when they finish primary and junior secondary school, leading to high rates of under-educated and under-employed refugee youth. UNHCR depends on partnerships with government, private, development and UN actors to ensure refugees are included in their education planning, budgeting and monitoring.

<sup>7</sup> Any delivery of CBIs should be based on a thorough risk assessment. Please consult the [UNHCR/AI/2017/15 Administrative Instruction on the Financial Procedures for Cash-Based Interventions](#), the [UNHCR/HCP/2016/3 Policy on Cash-Based Interventions](#) and the [UNHCR/OG/2015/3 Operational Guidelines for Cash-Based Interventions in Displacement Settings](#).

The cooks of the Orient Experience restaurant, all refugees and migrants, at work for the opening. On the 24<sup>th</sup> of June born the first multiethnic restaurant in Catania run by refugees and migrants as well as local entrepreneurs under the patronage of the United Nations High Commission for Refugees.

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#### **4.2. When does UNHCR implement livelihoods programmes?**

In some cases, UNHCR's optimal role may entail implementation of livelihoods programmes directly or through partners, in addition to facilitation and advocacy. To determine whether implementation is necessary to fill a gap, it is recommended that potential efforts for inclusion into existing services and programmes are exhausted first. Implementation may be necessary in contexts where there is limited or no presence of development expertise, the engagement of other stakeholders is not possible or still insufficient to meet the needs of refugees, or existing interventions are of poor quality. In such cases, implementation can make the case for other actors to get involved and demonstrate best practice models to jointly collaborate on and hand over to other actors in the longer term. Implementation and advocacy are thus not mutually exclusive; a commitment to continue implementing while advocating for the involvement of relevant expertise will be vital to respond to immediate needs (such as those relating to food security) and to promote the long-term economic inclusion of refugees.

When UNHCR operations take on an implementing role -either through direct implementation or through partners- there is a need to seek high programmatic standards in order to achieve impact. To help ensure market-based, results-driven programming, UNHCR operations are highly advised to consult the [SEEP Network's Minimum Economic Recovery Standards](#) (MERS), which were initially a great contributor to the development of the Minimum Criteria for Livelihoods Programming. The MERS offer guidance on what good programming looks like and what to consider when planning activities. The MERS represent industry consensus on best practices for economic recovery in emergency and crisis contexts.

### **Contact and additional resources**

This concept note replaces and supersedes the UNHCR/OG/2015/4 Operational Guidelines on the Minimum Criteria for Livelihoods Programming. The forthcoming 2019-2023 Livelihoods and Economic Inclusion Strategy will provide further details.

For more information and support, please contact the Livelihoods and Economic Inclusion Unit at [livelihoods@unhcr.org](mailto:livelihoods@unhcr.org). The Livelihoods and Economic Inclusion Unit will capture lessons learned and share recommendations intended to support operations in determining their optimal engagement in interventions. Additional guidance and resources on economic inclusion are hyperlinked throughout this concept note and can be found on the [UNHCR Intranet](#).

## Minimum Economic Recovery Standards

Third edition

The *Minimum Economic Recovery Standards (MERS)* articulate the minimum level of activities required to support the economic recovery of vulnerable populations in the wake of crises. The MERS handbook offers tools and approaches that support practitioners, multi-lateral stakeholders, local market actors, governments and donors to support economic recovery through market-based response. The standards draw from the accumulated experience of the world's leading humanitarian agencies and economic development practitioners. The third and most current edition of the MERS represents the expertise of over 90 organizations and 175 technical professionals.

### What are the Standards?

The MERS are comprised of six sets of standards that can be read in sequence or separately. The **Core Standards** outline approaches and activities that prevent and/or mitigate harm--whether physical, social, economic, environmental or otherwise and promote protection in alignment with the Core Humanitarian Standards. The **Assessment and Analysis** standards provide a road map for designing, implementing and sharing assessment results that inform effective and context-appropriate programmatic strategies. **Asset Distribution** standards guide practitioners to apply market-aware thinking to asset distribution, support activities linked to longer term- recovery and minimize disruption of local market systems. The MERS also contain standards designed to bolster livelihoods, expand financial inclusion and support self- reliance through **Enterprise and Market System Development**, **Financial Services** and **Employment**.

### How are the Standards structured?

Each set of standards includes Key Actions, Key Indicators and Guidance Notes. The MERS also provide examples of good and bad programming, demonstrating to decision makers which approaches and interventions are considered best practice— enabling them to avoid mistakes from past responses. The MERS are not prescriptive. Standards can be applied in whatever combination makes the most sense and will have the most impact for the context.

### Where can I get the Standards?

The MERS are available to download online, or to purchase as a hardcopy handbook. You can also use the HSPapp to download MERS, and the partner Standards, on your mobile device.

### MERS and the HSP

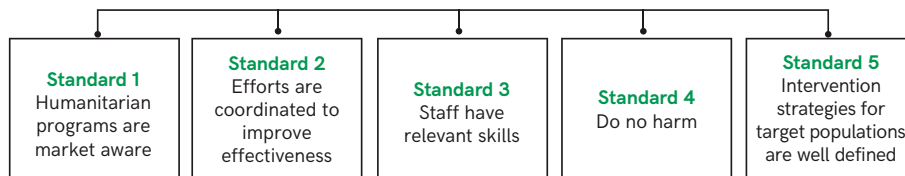
The MERS are a member of the Humanitarian Standards Partnership (HSP) which aims to improve the quality and accountability of humanitarian action through an increased application of humanitarian standards. The partnership is comprised of six standards initiatives, which in addition to the MERS include: Sphere, the Child Protection Minimum Standards, the Livestock Emergency Guidelines and Standards, the INEE Minimum Standards for Education and the Minimum Standards for Market Analysis.

To learn more and access the full set of standards, visit [www.mershandbook.org](http://www.mershandbook.org).

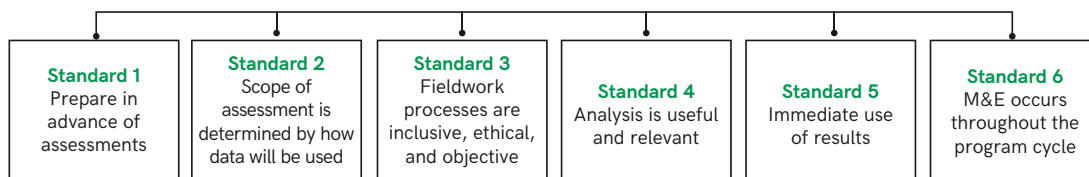
# Minimum Economic Recovery Standards:

## Overview

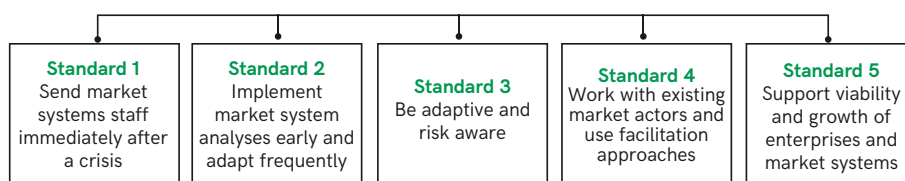
### Core Standards



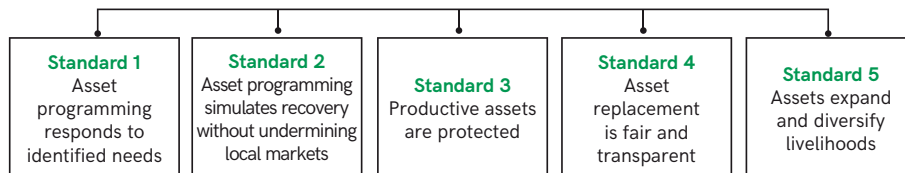
### Assessment and Analysis Standards



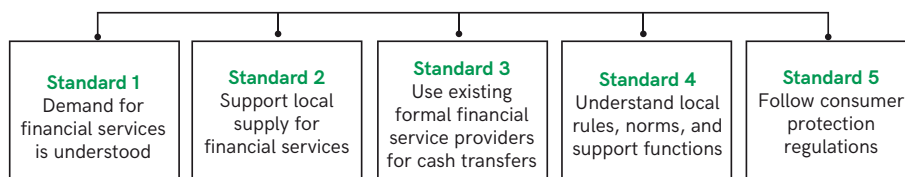
### Enterprise and Market Systems Development Standards



### Asset Distribution Standards



### Financial Services Standards



### Employment Standards

