

Progress in accelerating global actions for a world without poverty and implementation of the System-wide Plan of Action for the Third United Nations Decade for the Eradication of Poverty (2018-2027): UNHCR, June 2019

Promoting Economic Inclusion for Refugees

Why economic inclusion?

Globally, 68.5 million individuals are forcibly displaced as a result of persecution, conflict, natural disaster or generalized violence. Among refugees, 85 % – or 16.9 million refugees – are hosted in developing countries facing socioeconomic challenges and high levels of poverty. In 13 countries surveyed by UNHCR, 50% of refugees and 44% of persons in host communities (WBG 2018) live in extreme poverty.

A growing body of evidence suggests that including refugees in local economies contributes to economic growth, and can thus be mutually beneficial for refugees and host communities. In December 2018, the Global Compact on Refugees (GCR) was adopted in which member states committed to the objectives of reducing pressure on host countries and enhancing refugee self-reliance. This is to be achieved by increased international burden and responsibility sharing, and by mobilizing the international community and stakeholders as a whole. In line with the 2030 Agenda's Sustainable Development Goals, the Compact calls for alleviating poverty which is itself a significant root cause of large refugee populations. Overall, improving livelihoods through economic inclusion is key in achieving protection and solutions outcomes for refugees through enhanced resilience and self-reliance.

Economic inclusion entails access to labour markets, finance, entrepreneurship and economic opportunities for all, including non-citizens in addition to vulnerable and underserved groups. Economic inclusion contributes to the self-reliance and resilience of refugees, empowering them to meet their needs in a safe, sustainable and dignified manner while avoiding aid-dependency and negative coping mechanisms. When refugees are included in national economies and have access to decent work, they are able to provide for themselves and their families, build their resilience against future crises and better prepare for the future whether they return home, integrate in their country of asylum, or resettle in a third country. Economic inclusion results in greater protection, allowing refugees to regain dignity and contribute positively to their host economies.

Global approach in promoting economic inclusion of refugees

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. UNHCR has a key role to play in advocating for and convening diverse stakeholders to create or adapt systems to be conducive to refugees' resilience and self-reliance. To this end, UNHCR is building partnerships with relevant expert entities such as financial service providers, development agencies, and private sector to promote the economic inclusion of refugees. In contexts where other actors are already engaged in livelihoods interventions, UNHCR is coordinating with government, development actors, the private sector and other partners to provide individual livelihoods interventions. UNHCR's role is focused on building bridges with these actors to include refugees in their activities and programmes and ensure refugees' protection is maintained. UNHCR released the [Concept Note](#) for the "Global livelihoods and economic inclusion strategy 2019-2023" defining the new economic inclusion approach and the respective roles of stakeholders.

Achievements in 2018

1. In line with the objectives I and 2 of the of the Global Compact on Refugees to ease pressure on host countries and enhance refugee self-reliance, and contributing to Sustainable Development Goals 1, 8 and 10, UNHCR continue to strengthen engagement with host governments, development actors, private sector and specialized institutions to foster the economic inclusion of refugees while also promoting the economic development in the host communities. UNHCR convened a global coalition including the World Bank "Partnership for Economic Inclusion" and 11 NGOs (World Vision, Mercy Corps, Concern Worldwide, BOMA Project, Caritas Suisse, GOAL, BRAC, HIAS, Trickle Up, Village Enterprise and the Norwegian Refugee Council) with the goal to alleviate poverty for 500,000 refugees and host community households in 32 countries over five years.
2. Access to finance is essential in building livelihoods and driving economic inclusion of refugees. UNHCR's collaboration with financial development actors and local financial service providers facilitated increased access of refugees to financial services. By the end of 2018, 16 financial service providers in 10 countries

are already offering services to refugees. Among these is Micro Fund for Women in Jordan serving 4,047 Syrian refugee borrowers, New Finance Bank that opened a branch in Dzaleka camp in Malawi with 1000 account holders, Banco Ciudad in Argentina which started opening bank accounts with 62 refugee clients, and Enda Tamweel in Tunisia and Inmaa in Morocco that are running pilot lending schemes for refugee entrepreneurs. UNHCR and UNCDF created a technical assistance and financial incentives package to further encourage providers to extend their services to refugees in at least 9 countries in Africa within 5 years. Through joint efforts, around USD17m of development funding have been allocated to UNCDF to implement this programme. UNHCR and the Swedish International Development Agency (SiDa) also made progress in rolling out the credit guarantee facility that will support financial service providers lending to refugees in Jordan and Uganda. UNHCR worked with Financial Sector Deepening Africa (FSD Africa) provide incentives for the development of market-based financial solutions for refugees such as through accelerator grants awarded to selected financial service providers in Rwanda.

3. UNHCR continued working closely with ILO to adopt the market systems development approach to refugee contexts, with the aim of achieving economic growth and employment in relevant sectors. Market assessment and value chain analysis form the basis for developing effective interventions that create long term employment opportunities. ILO completed 14 country specific market assessments and value chain analyses over 3 years which informed the development of market-based country strategies and value chain development projects to promote economic inclusion for refugees while supporting the economic growth in the host communities.
4. Through the MADE51 (Market Access, Design and Empowerment for Refugee artisans) global initiative that aims to economically empower refugee artisans, UNHCR worked with 12 social enterprises and 9 strategic partners from the development and private sectors, to enable 1000 refugee artisans from 11 countries to create products that are now sold in the global market carrying the MADE51 brand. These products were showcased in the 2018 and 2019 Ambiente trade show in Frankfurt. The product collection can be viewed at www.made51.org and is available for sale on the websites of the local social enterprise partners.
5. Many refugees in rural areas count on farming to eat and earn. UNHCR is strengthening its partnership with FAO to increase the inclusion of refugees and host communities in agriculture-based activities, increase food security and income opportunities for refugees in countries where both agencies are present, starting with Ethiopia, Uganda and Kenya. UNHCR and FAO are revising their Memorandum of Understanding to define the priority areas of collaboration and deliverables in the coming years.
6. UNHCR has increased engagement with the private sector to enhance employment opportunities for refugees. In the past year, collaboration with 20 local businesses and global companies in various contexts has generated income opportunities for at least 1600 refugees. To support efforts towards increased access to employment in the private sector, UNHCR and OECD developed a 10-point action plan in [Engaging with Employers in the Hiring of Refugees](#) with the aim to create synergies among key stakeholders including the private sector, government, refugees and the civil society to enable economic inclusion and participation of refugees in the host countries. The document specifically provides instructive guidance for key actors to facilitate and promote integration of refugees in labour markets.
7. Recognizing the importance of entrepreneurship as an effective approach to build the economic well-being of refugees and their hosts, UNCTAD, UNHCR and IOM collaboratively developed the [Policy Guide on Entrepreneurship for Migrants and Refugees](#) to guide the development of inclusive entrepreneurship policies and initiatives.
8. Data is critical to policy making and programming to improve the socio-economic inclusion and overall well-being of people affected by forced displacement. UNHCR has significantly increased the scale and scope of joint initiatives with the World Bank Group (WBG) on data and its analysis in recent years. The Joint Data Center on Forced Displacement (JDC) to be located in Copenhagen, Denmark, is being established to enhance the ability of stakeholders to make timely and evidence-informed decisions that can improve the lives of affected people with a focus on household level socio-economic data. UNHCR is working with research organizations to improve socio-economic data collection and analysis and build a library of evidence to inform decisions and efforts.