

**Executive Committee of the
High Commissioner's Programme**

Distr. Restricted
3 June 2016
English
Original: English and French

Standing Committee
66th meeting

Livelihoods and self-reliance*Summary*

The right and access to decent work are key contributors to building self-reliance and strengthening resilience. Through UNHCR's "Global strategy for livelihoods" for 2014-2018, new approaches have been introduced to enable self-reliance among refugees and other persons of concern to UNHCR. This paper provides an overview of efforts undertaken and of achievements and challenges in allowing refugees and other persons of concern to live productive lives, contribute meaningfully to their host communities and prepare for durable solutions.

Contents

| <i>Chapter</i> | <i>Paragraphs</i> | <i>Page</i> |
|---------------------------------|-------------------|-------------|
| I. Introduction | 1-2 | 3 |
| II. Situational context..... | 3-6 | 3 |
| III. Strategic approaches | 7-22 | 4 |
| IV. Partnership | 23-27 | 7 |
| V. Conclusion | 28-29 | 8 |

I. Introduction

1. Access to livelihoods enables refugees to live active, productive and dignified lives. By building stronger ties with host communities and a sense of shared interest, livelihoods activities contribute to a favourable protection environment in which refugees are better prepared for durable solutions, whichever form they may take in the future.

2. The “Global strategy for livelihoods” for 2014-2018¹ provides an overall direction and framework for UNHCR’s livelihoods activities. The Livelihoods Strategy emphasizes evidence-based programming, innovative approaches and new partnerships. In this regard, UNHCR is collaborating with development actors, international financial institutions, civil society organizations as well as the private sector, including social enterprises, with a view to achieving better and more sustainable livelihoods outcomes for refugees and the communities that host them.

II. Situational context

3. Most of the world’s refugees are unable to earn sufficient income to meet their basic needs. With growing demands placed on the humanitarian response system and a widening gap between humanitarian needs and resources available to address them, enabling refugees to be productive and self-reliant has never been more crucial. Nevertheless, laws, policies and administrative requirements in a number of countries present obstacles to refugee self-reliance. These may include restrictions on freedom of movement, free choice of residence and the right to work. High rates of unemployment among nationals can also deter governments from providing refugees with access to employment.

4. The Syria crisis has highlighted the need for new approaches to livelihoods and self-reliance and for possibilities for promoting the inclusion of refugees in the formal labour sector, particularly in countries where refugees are present in large numbers. The liberalization of employment laws and regulations and the creation of free-trade zones where refugees can also work are under discussion and moving towards implementation in some instances. With respect to public opinion, allowing refugees to use their skills and contribute to the local economy while changing their lives for the better, helps shift perceptions of refugee presence from a humanitarian burden to a development opportunity. Programmes should ensure that the economic activities of refugees do not have a negative impact on local populations.

5. Turkey, which hosts the largest number of refugees in the world, amended its labour law in early 2016 to allow refugees to apply for work permits. On a further positive note, the amended labour law will help formalize the employment of thousands of Syrian refugees working in the country’s garment sector. Jordan plans to establish “special economic zones”, where Syrian refugees and Jordanian nationals can work in businesses drawn in by favourable trade policy and tax incentives. In Egypt, Syrian refugees are bringing their culinary skills to the food service industry.

¹ Available from <http://www.unhcr.org/530f107b6.pdf>.

6. Opportunities for pursuing new approaches to refugee livelihoods and self-reliance are not limited to the countries affected by the Syria crisis. In Burkina Faso, Malian refugee craftsmen with traditional skills in weaving, leatherwork and metalwork contribute to local businesses that supply them with raw materials and ship the crafts they produce to international markets. In Uganda, research suggests that the economic activities of refugees in settlements and urban areas have generated trade at national and transnational levels.²

III. Strategic approaches

7. In March 2015, UNHCR released the “Operational guidelines on the minimum criteria for livelihoods programming”³ that set out the minimum criteria that UNHCR operations should meet when planning, implementing and monitoring livelihoods programmes. The Operational Guidelines ensure that investments in livelihoods programming have a measurable impact for refugees and host communities. These require that UNHCR operations develop livelihoods programming that is context-specific, appropriately targeted and informed by quality socioeconomic and market assessments. The minimum criteria foresee that technical expertise is provided for livelihoods programming which is implemented by qualified partners and linked with government, development and private sector initiatives.

8. In the course of 2016, the minimum criteria became mandatory for the UNHCR programme year.⁴ This marks a decisive shift towards greater accountability and quality assurance. In April 2016, UNHCR held the first training on the minimum criteria for partners who are either implementing or likely to carry out livelihoods programming in the future.

9. Through the Livelihoods Strategy, UNHCR also promotes the right to work. Data and evidence on the impact of refugee participation on employment and growth in local and national economies is essential in this regard, including data disaggregated by profile, skills and aspirations of refugees. UNHCR has commissioned studies examining the economic impact of hosting refugees, and others are also pursuing related research. The Office has collaborated with the World Bank on a study on poverty and welfare among Syrian refugees in Jordan and Lebanon, successfully combining the data, skills, capacities and perspectives of the two organisations.⁵ The study findings are assisting in the design, implementation and evaluation of policy responses and programmatic interventions, which will have an impact on refugees, including on their protection environment, and the communities that host them.

10. In 2016, UNHCR also seized opportunities to raise awareness and mobilize support for refugee livelihoods at key events, such as the Solutions Alliance Roundtable⁶ in February, the Wilton Park Forum⁷ on New Approaches to Forced Displacement in April and the World

² Betts, Bloom, Kaplan & Omata (2014), “Refugee Economies: Rethinking Popular Assumptions. Humanitarian Innovation Project”, Oxford University, available from <http://www.rsc.ox.ac.uk/files/publications/other/refugee-economies-2014.pdf>.

³ Available from <http://www.unhcr.org/54fd6cbe9.html>.

⁴ In order to ensure that livelihoods activities meet requirements that align with the Livelihoods Strategy, livelihoods activities in some country operations have been postponed pending review.

⁵ “The Welfare of Syrian Refugees: Evidence from Jordan and Lebanon”, available from <https://openknowledge.worldbank.org/handle/10986/23228>.

⁶ The Solutions Alliance is an inclusive partnership comprising governments in countries hosting refugees or affected by internal displacement, United Nations agencies, international financial institutions, bilateral and multilateral donors, civil society groups, private sector partners, academia, and others that support solutions to forced displacement through coordinated action at global and national level.

⁷ The World Bank Group, the Government of the United Kingdom and UNHCR convened the Forum at Wilton Park in the United Kingdom on 4-6 April 2016.

Humanitarian Summit in May. Refugee-hosting States, including Jordan, Kenya, Lebanon, Pakistan and Uganda, participated in the Wilton Park Forum. The following five principles emerged from the Forum: (i) working through national and local systems; (ii) supporting host communities and social cohesion; (iii) facilitating economic participation and growth; (iv) enhancing impactful and innovative financing; and (v) improving data and evidence.

11. UNHCR's livelihoods programming adopts an integrated approach that engages host communities and seeks to build social cohesion, consistent with the Wilton Park principles. In the Dollo Ado camps in Ethiopia, scarce natural resources and poor market conditions have hindered livelihoods opportunities. To support economic development in the area and create work opportunities for both refugees and host communities, local authorities allocated 1,000 hectares of fertile land for agricultural projects while UNHCR invested in irrigation and infrastructure with the support of the IKEA Foundation. The initiative aims to improve food security and increase the household income of an estimated 50,000 refugees and members of the host community. Discussions are under way with the Government of Ethiopia and the World Bank on how to incorporate the programme into national and regional agricultural development planning in order to ensure its sustainability.

12. In Mozambique, Congolese, Burundian and Rwandan refugees are using their agricultural skills to plant tomato crops in the vicinity of the Maratane camp. Access to an additional 1,000 hectares of farm land will give local and refugee farmers the opportunity to work together to reap greater yields and profit from selling their produce at local markets. This initiative, undertaken jointly with the World Food Programme (WFP) and the Food and Agriculture Organization (FAO), aims to collaborate closely with the government and private sector to produce more profitable products and support a processing facility to compete with imported products.

13. Promoting refugee self-reliance through entrepreneurship is also a priority for UNHCR. In many countries, refugees are successful entrepreneurs, trading and offering services to host communities where national laws, policies and economic conditions provide an enabling environment. Their success often depends on business development services, including training, and access to tools, raw materials and other productive assets, as well as to financial services, including credit and savings facilities.

14. Enhancing access to financial services is key to build sustainable livelihoods for refugees in accordance with the Livelihoods Strategy. Financial service providers often neglect to include refugees in their loan programmes due to the risk of default resulting from their mobility. In response, UNHCR is collaborating with a non-profit membership-based organization, the Social Performance Task Force, to develop guidelines, case studies and training for financial service providers to encourage engagement with refugee entrepreneurs and their small and micro-enterprises. The aim is to facilitate the inclusion of refugees in existing savings and lending facilities instead of establishing less sustainable lending schemes. UNHCR and the Swedish International Development Agency are also considering establishing a global credit guarantee facility that would facilitate lending to refugees by reducing the risk financial service providers face.

15. In Ecuador, the "business incubator" model,⁸ developed together with the Pontifical Catholic University of Ecuador in Esmeraldas, promotes the development of entrepreneurial skills among refugees, asylum-seekers and vulnerable local people. This initiative fostered private sector activity with a social component through the growth of small enterprises, which generate employment and wealth for refugees and the local community. The failure rate of

⁸ The "business incubator" model aims to nurture new and small businesses by helping them to survive and grow through the early stages of development.

new businesses supported by the entrepreneurship programme is low at 14 percent in the first two years, compared to an overall failure rate of 95 percent for new enterprises in the community of Esmeraldas.

16. UNHCR further promotes refugee livelihoods through the concept of creating shared value. UNHCR is engaging with private sector enterprises and development actors to include refugees or enhance their role within “value chains”⁹ and during the production of goods or supply of services. Globally, UNHCR is focusing on the artisanal, agricultural and information technology sectors, which have high growth potential and offer prospects for absorbing refugee labour. UNHCR has assisted refugee artisans and pastoralists and farmers in Burkina Faso, Chad, Ethiopia, Kenya, Rwanda and Zambia to participate in the economy of their host communities and where feasible, to link them to broader regional, national and global value chains and markets.

17. Artisan work¹⁰ provides entrepreneurial opportunities for refugees who have specialized skills, which have been passed down the generations and perfected over a lifetime. Giving skilled artisans access to quality raw materials, tools and machinery, as well as workshops and markets enables them to produce and sell their goods. Many refugee artisans bring unique skills to their host communities and drive development forward.

18. Among the Malian refugees living in camps in Burkina Faso and urban centres, UNHCR estimates that some 37 percent are skilled. A value chain analysis that UNHCR commissioned confirmed the high potential of the artisan sector to generate sustainable profits for refugees. Overcoming the challenges and bottlenecks that refugee artisans face in accessing materials, tools and markets is vital to their success. In Goudebou and Mentao camps and in Ouagadougou, an artisan project launched in 2015 sought to strengthen self-reliance and improve the socioeconomic status of 1,000 Malian refugee artisans, including through product innovations, access to production inputs and infrastructure, business skills training, and the development of links to local and international markets. Some 50 artisans were producing export-ready items. Moreover, by the end of 2015 UNHCR had included 2,800 refugees into the national milk value chain.¹¹ In Malaysia, UNHCR’s partner, UNIQLO, collaborated with a luxury brand to employ refugee women to embroider textile products. UNHCR hopes that this project will serve as an example for other companies that may be considering hiring skilled refugee artisans.

19. In the agricultural sector, UNHCR and partners support small-scale producers primarily to increase food security and larger-scale farmers and herders to develop production, organize sales, find new markets and add value to their products. Work carried out with the Ministry of Agriculture in Chad has shown the potential that sustained interventions can have. Market-based strategies and crop diversification have improved the agricultural practices of 1,840 Sudanese refugee households, which are producing impressive

⁹ A “value chain” describes the full range of activities that are required to bring a product or service from conception, through the intermediary phases of production, and on to delivery to final consumers, including disposal after use.

¹⁰ The global market for artisan crafts is significant and expanding. The artisan sector, behind the agricultural sector, is the second largest employer in the developing world. According to United Nations Conference on Trade and Development data, international trade in artisan crafts totalled US\$ 17.5 billion in 2002. By 2012, the value had nearly doubled to over US\$ 34 billion.

¹¹ For more information, see <https://www.youtube.com/watch?v=yUdtsa3g4U8>.

results through the use of seven community plots of 555 hectares in total.¹² A market assessment and value chain analysis UNHCR conducted guided the choice of crops and determined the trade areas where refugees have comparative advantage.

20. UNHCR sees important opportunities in building refugee livelihoods through teleworking.¹³ UNHCR is working with the International Trade Centre (ITC) and the International Telecommunication Union (ITU) in community technology access (CTA) centres in urban areas and refugee camps to enable refugees to access teleworking activities, including through new approaches to managing the centres and providing refugees with access to mentors and specialized training. Technical improvements are under way in both urban and camp-based CTA centres, with the first telework upgrade nearly complete in Alexandria, Egypt.

21. UNHCR is implementing the “graduation approach”¹⁴ to sustainable livelihoods in Burkina Faso, Costa Rica, Ecuador, Egypt and Zambia, with a view to extending the approach to other operations in both urban and rural settings. A recent midterm evaluation of a pilot project in Egypt indicated that over 700 refugees are employed and an additional 700 own small businesses. As a result, refugee household incomes have increased significantly.

22. Based upon the results of UNHCR’s pilot project in the country, the Government of Costa Rica has included the graduation approach in its national development plan for 2014-2018, following a Social Council decree recognizing that UNHCR’s local integration programmes are of “national interest”. In 2016, UNHCR concluded a memorandum of understanding with Costa Rica’s Ministry of the Presidency and Migration Authority on the inclusion of refugees in national programmes for poverty reduction, employment and development.

IV. Partnership

23. The Livelihoods Strategy highlights the need to foster partnerships among governments, development actors and the private sector to ensure the sustainability of livelihoods programming for refugees and host communities, including through employment and entrepreneurship. Broad coalitions help promote advocacy on the right to work, access to financial services and the inclusion of refugees in national and local development planning.

24. In the last year, UNHCR’s strategic partnership with the World Bank has grown out of common goals of increasing recognition of displacement as a development issue and strengthening the humanitarian-development nexus. Analytical work examining the economic impact refugees have on local economies has informed advocacy, policy development and programming at national level. In January 2015, UNHCR signed a memorandum of understanding with the ITC with the aim of increasing opportunities for refugees and other persons of concern to UNHCR to participate in the global marketplace. Efforts will include supporting social enterprises to source products from refugee communities and adapt their skills and capacities to better respond to market needs.

¹² In 2014, total production amounted to 598.4 metric tons, of which 92.5 metric tons was sorghum, 323.9 metric tons was ground nut, 140.3 metric tons was sesame and 62.1 metric tons was cowpea.

¹³ Teleworking is a work arrangement in which employees perform tasks remotely, through the Internet, for clients and employers.

¹⁴ Pioneered by BRAC and piloted by the World Bank’s Consultative Group to Assist the Poor (CGAP) and the Ford Foundation, the “graduation approach” enables refugee and local families to progressively move out of extreme poverty and access sustainable livelihood opportunities.

25. UNHCR has worked with local and national authorities and non-governmental partners in Costa Rica to strengthen cooperation with the private sector from an integration scheme (“Vivir la integración”) in Costa Rica. This initiative promoted corporate social responsibility while working with approximately 90 companies to provide refugees with access to training and sustainable employment. Since 2014, nearly 400 refugee and asylum-seeker households have benefited from the graduation approach, and an additional 300 refugees and asylum-seekers obtained employment through the scheme. In Turkey, UNHCR initiated consultations with members of the business community in March 2016 during a private sector roundtable discussion on identifying economic opportunities for businesses and refugees.

26. UNHCR and the International Labour Organization (ILO) have a long-standing partnership to promote the right to work for refugees. Intensifying UNHCR’s collaboration with the ILO will aim to support entrepreneurship, microfinance, market assessments and value chain development.

27. The Organisation for Economic Co-operation and Development and UNHCR are planning to engage in a series of joint dialogues with employers on the labour market integration of refugees. The dialogues will offer employers an opportunity to share experiences and discuss challenges in employing refugees. The first dialogue will take place in Brussels on 29 June 2016 and inform the design of future events.

V. Conclusion

28. The 2030 Agenda for Sustainable Development, which strives to “leave no one behind”, has made pursuing UNHCR’s Livelihoods Strategy and building sustainable livelihoods and self-reliance for refugees and host communities an imperative. The sustainable development goal (SDG) 8 on promoting sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all also advances UNHCR’s goals in this regard.

29. Well-managed, effective and market-based livelihoods programmes that benefit refugees, host communities and governments, including in their efforts to achieve the SDGs, are a priority for UNHCR. When provided with opportunities, refugees and other persons of concern make positive contributions to local economies. An important first step is to ensure that refugees are included in national and local development planning. Building sustainable refugee livelihoods also requires a multi-year vision based on data and evidence, as well as impact monitoring and programming, to streamline small and uncoordinated livelihoods interventions and take them to scale to achieve greater impact for both refugees and host communities.
