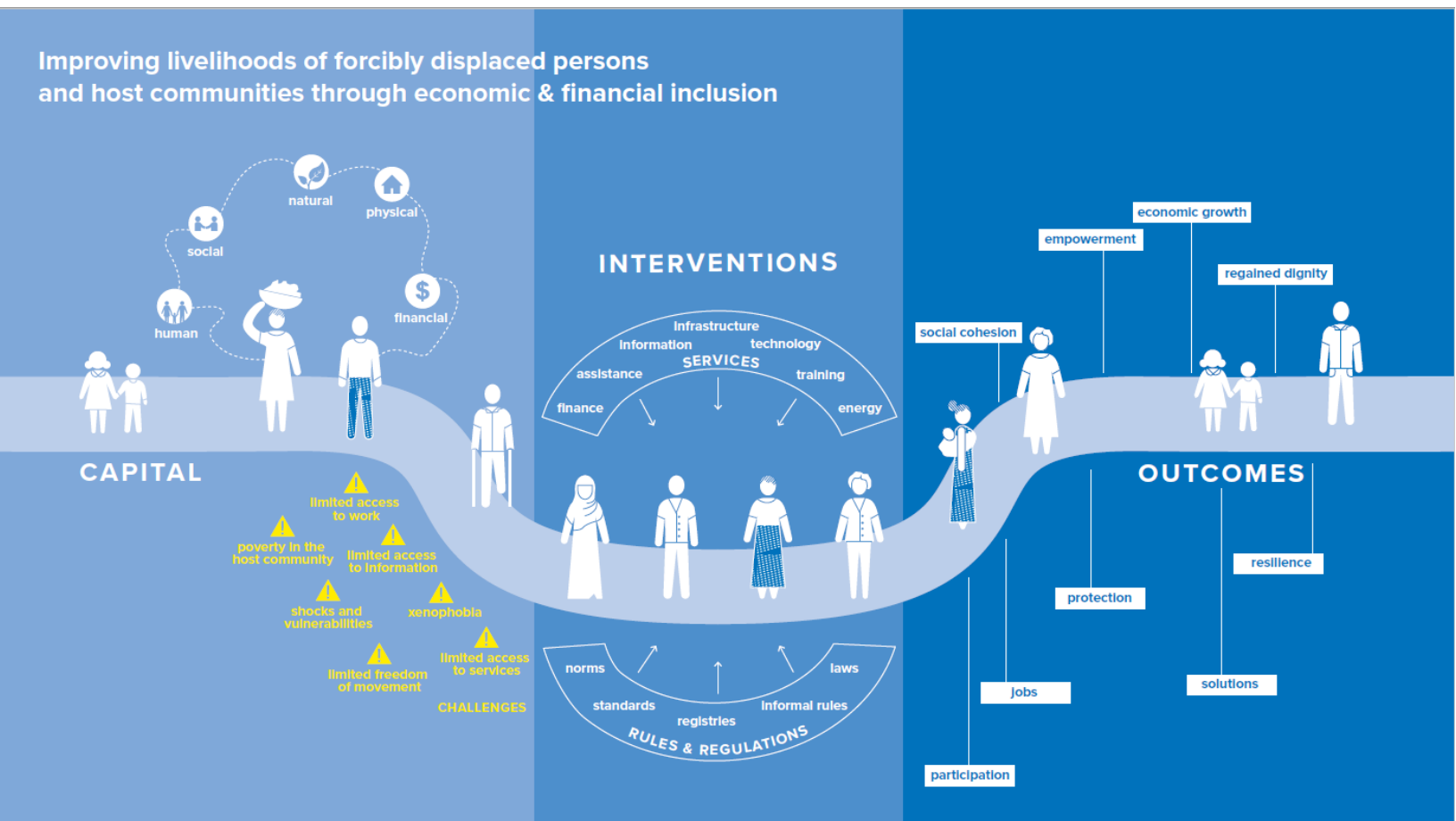


LIVELIHOODS AND SELF-RELIANCE PROGRAMMING IN REFUGEE AND DISPLACEMENT SETTINGS

UNHCR AND WFP CORPORATE APPROACHES

PART 2: UNHCR PROGRAMMING ON LIVELIHOODS AND SELF-RELIANCE



REFUGEE LIVELIHOODS AND ECONOMIC INCLUSION STRATEGY CONCEPT NOTE (2019-23)

Improving livelihoods through economic inclusion is a key component of achieving protection and solutions outcomes for refugees. Economic inclusion entails access to labor 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, to meet their needs in a safe, sustainable, and dignified manner; avoids aid-dependency; reduces negative coping mechanisms; contributes to host economies; and prepares refugees for their future whether they return home, integrate in their country of asylum or resettle in a third country.

OBJECTIVES	APPROACH	AREAS OF IMPLEMENTATION
Engage in advocacy and use resources to enhance the enabling environment for refugees to have legal and de facto access to decent work (such as rights to work, own a business, access financial services, land/ property ownership, and freedom of mobility).	<ul style="list-style-type: none"> • Institutional Mapping • Advocacy for inclusion • Implement (if necessary) using Minimum Economic Recovery Standards • Facilitate Access • Monitor and evaluate 	<ul style="list-style-type: none"> • Access to labour markets • Access to Finance • Enhance entrepreneurship and economic opportunities
RATIONALE	PRINCIPLES	SOURCES
The Concept Note provides a framework for UNHCR operations on the approach of livelihoods and economic inclusion programmes for refugees.	UNHCR's priority is a facilitation and advocacy role, enabling and convening relevant stakeholders to include refugees in services / programmes.	Refugee Livelihoods and Economic Inclusion 2019-2023

MINIMUM ECONOMIC RECOVERY STANDARDS (MERS)

For UNHCR, in contexts where it is not possible to engage relevant expert stakeholders, operations are recommended to use the Minimum Economic Recovery Standards (MERS) when developing livelihoods interventions. The MERS should be used by anyone planning or implementing economic or livelihood programmes in a humanitarian context. They are designed to be used pre-crisis, at the beginning of a response, through recovery to longer-term development.

OBJECTIVES	APPROACH	TARGETED GROUPS AND PROCESS
To provide practical guidance on facilitating economic recovery in emergency and crisis contexts, with examples of good economic programming practice in humanitarian contexts	<ul style="list-style-type: none"> • Six qualitative standards, applicable sequentially or individually. • Applicable from pre-crisis to longer term development planning • Integrate cross-cutting issues of gender, disability, preparedness, resilience, protection and environment 	<p>Tailored to context and depending specific intervention.</p> <p>Targeting approach applied in a transparent manner.</p>

RATIONALE	ASSUMPTIONS	SOURCES
Economic recovery for vulnerable populations in humanitarian contexts.	Effective economic recovery for vulnerable populations is: <ul style="list-style-type: none"> • Market-based and market-sensitive • Coordinated with applicable stakeholders and authorities • Based on humanitarian, quality and accountability standards 	Minimum Economic Recovery Standards - Handbook

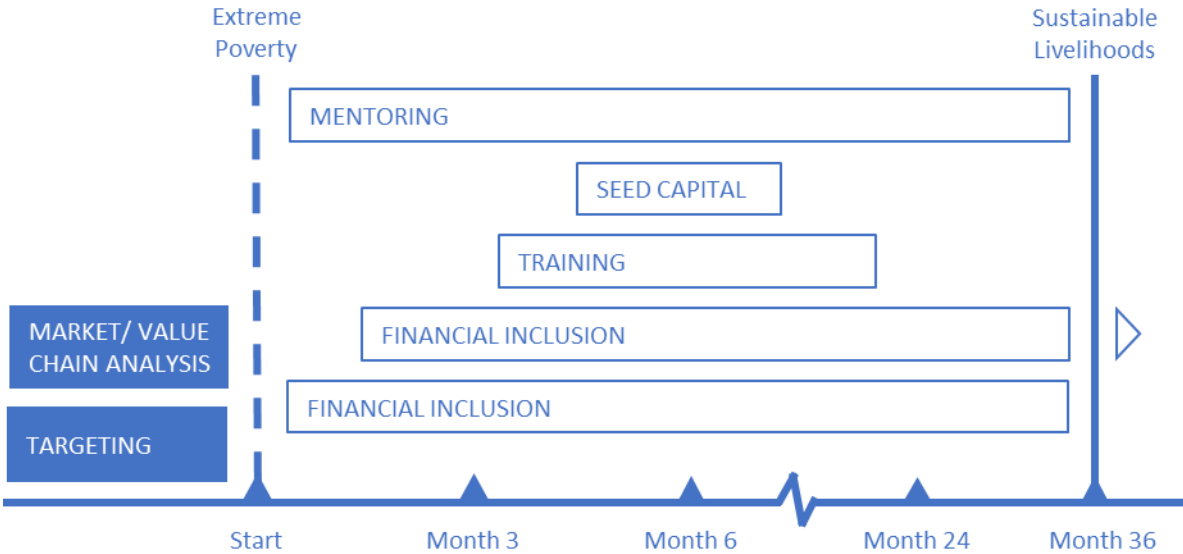
THE GRADUATION APPROACH

Responding to the rates of extreme poverty faced by refugees and host communities globally, and in line with the GCR, UNHCR, the World Bank Partnership for Economic Inclusion (PEI) and 13 NGOs formed a coalition with the goal of alleviating poverty for 500,000 refugee and host community households in 35 countries. As of 2021, funding has been secured to initiate programmes in 11 countries. The partners are: BOMA Project, BRAC, Caritas Switzerland, Concern Worldwide, the Danish Refugee Council (DRC), GOAL, HIAS, Mercy Corps, the Norwegian Refugee Council (NRC), Trickle Up, Village Enterprise and World Vision. In addition, local partners are identified in each of the countries. Here, it is essential to build on existing structures (such as existing cash transfers or training opportunities) rather than setting up parallel systems.

The [Graduation Approach](#) is the main tool of the coalition’s response. The approach combines social protection, development assistance, and mentoring, and helps the extremely poor refugees and host communities to become self-reliant. The approach has been tested using randomized control trials in the past 20 years and is (to date) the best proven methodology for extreme poverty alleviation at the household level.

OBJECTIVES	APPROACH	TARGETED GROUPS AND PROCESS
To graduate poor and extremely poor refugees out of conditions of chronic and systemic poverty.	Sequenced intervention over 18-36 months: <ul style="list-style-type: none"> • Target: Identify the most vulnerable households within a community. • Consumption support: Provide a regular and time-bound cash transfer to enable PoCs meet basic needs. • Skills training: Help families plan their livelihoods and enhance productive assets. • Savings: Develop ability to save money as a tool to build resilience. • Skills training: Enhance technical and entrepreneurial skills through livelihoods training. 	Sectors of the community living in extreme poverty <ul style="list-style-type: none"> • Both refugees and host communities • Targeting is context-specific and draws on socio-economic criteria used for assistance programmes.
RATIONALE		SOURCES
Poorest refugees become self-reliant, lead active and productive lives and build strong social, economic and cultural ties with host communities.		Poverty Alleviation Coalition The Graduation Approach

	<ul style="list-style-type: none"> • Asset transfer Provide in-kind goods, equipment and tools to help jump-start a sustainable economic activity. • Mentorship Ensure the close mentorship of participants throughout the process in a way that develops their self-confidence. 	
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The graduation criteria, or benchmarks of success, is determined for each country response according to the populations’ vulnerabilities at the start of the project and the local context. These criteria are reviewed by an independent technical advisor group reporting to UNHCR HQ. As the coalition uses parallel funding, implementing agencies also report directly to their donors.

<p>CONTEXTUALIZED GRADUATION CRITERIA AND THRESHOLDS</p>	<p>What graduation criteria and what thresholds for the minimum areas have been established in this context?</p> <ul style="list-style-type: none"> • Food Security • Income Levels • Financial Inclusion • Social inclusion <p># of households graduated</p> <p>What measurement methodology was used?</p>
<p>COST PER HOUSEHOLD</p>	<p>Which programmatic costs (per component of the Graduation Approach Model) were considered in the calculations?</p> <p>What is the average cost per household?</p>

Although graduation criteria will be determined on a pilot-by-pilot basis, graduation measures for past pilots not involving refugees have included: Eating at least two cooked meals per day all year round; Productive assets valued at a certain threshold; At least two sources of income; Maintenance of a minimum savings balance; At least one loan repaid within a savings-and-credit group.

FINANCIAL INCLUSION AND ACCESS TO CREDIT

Crosscutting different aspects of self-reliance and livelihoods programming, financial inclusion and access to credit are fundamental to ensure that poor people are sustainably integrated into productive processes. However, as several factors often limit the realization of these conditions, it is fundamental to assess the local context to find the most appropriate ways to engage refugees and host communities to realize financial inclusion and access to credit.

OBJECTIVES	APPROACH	TARGETED GROUPS AND PROCESS
Enhance the inclusion in banking and economic services and expand business capacities through micro finance services	<ul style="list-style-type: none"> • Enable access to micro finance institutions • Ensure access to financial service providers 	<ul style="list-style-type: none"> • Less poor and better off persons of concern • Extreme poor engaging in saving schemes
RATIONALE	ASSUMPTIONS	SOURCES
Financial inclusion and access to credit are pillars for economic integration in productive systems and are usually complementary to other business planning and capacity strengthening activities	<ul style="list-style-type: none"> • Private sector is accessible • Persons of concern can open bank accounts or access MFIs • Persons of concern have valid IDs • Interest rate are not excessive 	Displaced and Disconnected Guidelines for Financial Service Providers

INCLUSIVE MARKET SYSTEM APPROACH

Developed in partnership with the International Labour Organization (ILO), the Inclusive Market System Approach is a holistic and market-based approach to refugee livelihoods and economic inclusion programming. The approach is a framework for applying market system assessments to identify and analyze the potential entry points, opportunities, and obstacles. It looks at the ‘push’ factors that build the capacity of refugees to engage in market-based economic activities and the ‘pull’ factors within market systems that expand and diversify market opportunities for refugees and the host community.

The framework targets refugees using a flexible model that utilizes different combinations of elements and tools depending on the specific country context and labour market situation. The framework can be adapted to the specific characteristics of the target group as well as to the political, social, legal and economic contexts in which they are settled.

OBJECTIVES	APPROACH	TARGETED GROUPS
<p>To enhance the environment for refugee economic inclusion</p> <p>To facilitate refugee inclusion in livelihoods programming and market systems</p>	<ul style="list-style-type: none"> • Context specific • Assess and evaluate ‘push’ and ‘pull’ factors and opportunities for economic engagement and inclusion • Assess and evaluate the social, economic and legal environment • Integrate refugees in existing livelihoods and market activities • Partnerships based on technical expertise, incentive and capacity • Evidence-based advocacy for enabling environment • UNHCR implementation (direct or through partners) only if gap in services and according to MERS standards 	<ul style="list-style-type: none"> • Less poor and better-off persons of concern
RATIONALE	ASSUMPTIONS	SOURCES
<p>Livelihoods and economic inclusion contribute to refugee self-reliance and resilience</p> <p>Economic inclusion empowers refugees to sustainably meet needs with dignity and security</p>	<p>Refugees and other persons of concern</p> <ul style="list-style-type: none"> • enjoy enabling social, political and legal conditions to work / access relevant services • are given access to services that facilitate wage labour / self-employment 	<p>Inclusive Market Systems</p> <p>A Guide to market-based livelihood interventions for refugees</p> <p>Minimum Economic Recovery Standards Handbook</p>