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**UNHCR**  
The UN Refugee Agency



Kingdom of the Netherlands



► **The humanitarian  
development nexus in action:  
A review and mapping of  
market-led approaches in  
forced displacement contexts**



**The humanitarian  
development nexus in action:  
A review and mapping of  
market-led approaches in  
forced displacement contexts**

A joint ILO-UNHCR publication  
under the PROSPECTS Partnership

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## ► Executive summary

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Recognizing the importance of identifying a more durable solution to the displacement crisis, practitioners are increasingly using market-oriented approaches to support livelihoods and economic recovery. The ILO and UNHCR partnership through their jointly designed [“Approach to Inclusive Market Systems for Refugees and Host Communities” \(AIMS\)](#) and through the multi-agency PROSPECTS Partnership, implemented in countries in East and North Africa and in the Arab States, has been part of the emerging work on developing and testing market-based approaches in displacement contexts. Market-based approaches aim at improving the availability and access to economic opportunities for refugees and hosts in a sustainable manner. By promoting the economic self-sufficiency of refugees and their host communities, these approaches not only seek to encourage the self-reliance of their target populations, but also often aim at improving social cohesion between refugees and their hosts, as well as strengthening the contribution of refugees to their host country economy.

Over the past years, several market-based approaches have been developed and tested by development and humanitarian actors. However, little is known about what differentiates these approaches, how they have been put into practice and how effective they have been in improving the livelihoods of displaced people.

To this end, the ILO and UNHCR teams set out to better understand the implications and impact at the intersection or nexus of humanitarian support and market-based interventions for development and livelihoods. Importantly, this included asking questions about what we could learn from implementation to advance the understanding on how these approaches can constitute valid and effective responses in forced displacement settings. This was done with a view to help practitioners, governments and donors plan and implement effective market-based refugee and host community livelihood strategies.

The research adopted a case study approach, with an initial literature review and scoping of 16 projects that fully or partially integrated market-based approaches in their programming. The study then proceeded by selecting eight cases. Based on the literature review and scoping, as well as in-depth research on the eight cases, the team then developed an integrated framework to categorize and analyse market-based approaches in forced displacement settings. This study developed a framework with the market systems perspective on one side of the scheme and traditional livelihood programming with direct delivery approaches on the other. The framework reflects the complexity of the approaches in forced displacement settings, which cannot be easily categorized as applying pure market systems or direct delivery practices, but they can be placed closer or further from three archetypal approaches, as described below.

- Pull-only approaches, where a project works with market actors, often from the private sector, to create new economic opportunities for people in displacement contexts. Pull interventions are not to be confused with Corporate Social Responsibility initiatives and go well beyond simply inviting the private sector to the table; they require projects to understand incentives and capacities of the private sector to develop commercially viable business models that generate profit for the private actor while creating economic opportunities for refugees. These were implemented mostly by development and private sector practitioners.
- Pull and push approaches, where a project adopted both strategies: expanding market opportunities and preparing displaced peoples to grasp the benefits of these newly created market channels and/or employment spaces. Projects that used a dual strategy either partnered with development and humanitarian practitioners or were hybrid organizations that had the technical capacity to apply both pull and push approaches. This is the strategy foreseen by the ILO-UNHCR AIMS methodology and other systemic approaches.



- ▶ Push-only market-informed approaches, where activities focused on preparing refugees, internally displaced persons (IDPs) and their hosts for economic opportunities identified by market studies, mostly by implementing capacity-building interventions in demand by the market and by providing subsidies to refugee livelihoods. While these approaches consider the needs and opportunities of the market to design their interventions, their implementation model relies on the direct delivery of services and products from the projects to the end beneficiaries. These types of projects are usually privileged by humanitarian actors, often concerned with protection and rights for vulnerable groups.

Each of the cases was then analysed to better understand how well the projects benefited displaced people and their hosts. The analysis also explored if and how projects used direct delivery interventions or more facilitative strategies, how effectively they engaged the private sector and other relevant market actors to deliver services and develop economic opportunities to refugees, and how this led (or did not lead) to sustainable solutions.

The research concluded that in order to best respond to the needs of displaced people in protracted situations, both push and pull solutions need to be carefully thought through. For instance, in the profiled cases employing pull-only approaches, it was found that less vulnerable groups of refugees or IDPs were reached. Furthermore, the numbers of refugees or IDPs directly reached compared with hosts were much lower in the pull-only strategies than in the push-only projects. One of the reasons for this was linked to the fact that pull-only strategies rely on intermediary actors, often from the local private sector and from less vulnerable groups, to deliver benefits to refugees (for example, services or economic opportunities). Different challenges occurred in the push-only approaches. While more vulnerable categories of people were being linked to markets and prepared for them, the economic opportunities did not materialize or were not sustained. This was often due to a mismatch between the type of training and capacity-building activities offered by refugees and the real demand and opportunities existing in the local market and accessible to refugees. The research concluded that both push and pull approaches are essential in order to create the market shifts necessary for people, but also to prepare vulnerable people for these opportunities so that greater numbers of displaced people can benefit.

However, in order to best ensure that both push and pull approaches can respond to the specific requirements of these target groups but also deliver on sustainability and scale, a number of key recommendations were identified. These are summarized below.

<p><b>Effective design of market-based approaches</b></p>	<ul style="list-style-type: none"> <li>▶ The wider system is analysed, and interventions are developed, based on evidence to address the binding constraints.</li> <li>▶ Design projects with enough time to adequately prepare displaced peoples and shift markets.</li> </ul>
<p><b>Successful targeting of displaced peoples and their hosts within market-based approaches</b></p>	<ul style="list-style-type: none"> <li>▶ Know your target group, and what is needed to link them to markets to ensure inclusiveness.</li> <li>▶ Ensure there are enough established customers or suppliers to create viable commercial business models in displacement contexts by adapting the ratio of hosts to displaced people.</li> <li>▶ Select sectors that work for displaced people and where existing market actors can be leveraged. This is especially important where markets are thin or there is market distortion through the aid sector.</li> </ul>



<b>Effective project management for market-based approaches</b>	<ul style="list-style-type: none"><li>▶ Market-based programming in refugee or IDP contexts needs to be highly adaptive. This requires skilled staff and adaptive organizations technically prepared to implement the recommendations of the system analysis while adapting to changing markets and contexts.</li><li>▶ The principle of using smart subsidies should be maintained in displacement contexts, especially where thin markets require more hands-on support to ensure inclusiveness and to stimulate the creation of missing market functions and linkages. If using subsidy, mitigate any negative impacts and distortion on the market and develop an exit strategy.</li></ul>
<b>Viable partnerships for market-based approaches</b>	<ul style="list-style-type: none"><li>▶ If they are working through partner organizations, staff and management need to value and understand market-based approaches and have the organizational capacity to implement these approaches.</li><li>▶ Project staff should have the technical competence for working with the private sector.</li></ul>

The push and pull framework and the resulting practical recommendations can guide both humanitarian and development practitioners as they adopt market-based approaches in both pull and push strategies, working more effectively and practically across the nexus. In order to best ensure that push and pull approaches can deliver on the impact, sustainability and scale that we want to see in these contexts, they must be carried out with increasing systemic and transformational thinking, from using markets towards changing markets. We believe this will create the transformation change required to create the opportunities that refugees, IDPs and their hosts need for their economic independence.

## ► I. Introduction

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The number of people forced to flee because of conflict, violence, persecution and human rights violations has reached more than 100 million for the first time on record.<sup>1</sup> This scale, and the protracted nature of many of today's displacement situations, are forcing humanitarian and development actors to find long-term sustainable solutions for refugees, internally displaced persons (IDPs), stateless people and returned refugees.

Achieving a solution to protracted situations has also been a key motivator for the development and adoption of the New York Declaration in 2016, through the Comprehensive Refugee Response Framework (CRRF),<sup>2</sup> which called for a whole of society approach, including local and national governments, international and regional financial institutions, UN agencies, partners from non-governmental organizations (NGOs), displaced people themselves, the private sector and civil society. In 2018, after two years of consultations, Member States (181) adopted the Global Compact on Refugees (GCR).

The CRRF and GCR both focus on the integration and self-reliance of displaced people. Refugees and IDPs should be integrated into their hosting communities from the very beginning so that they can thrive. Moreover, when refugees gain access to education and labour markets, they can build their skills and become self-reliant, contributing to the local economy and fueling the development of the communities hosting them.

There is a growing consensus for a more joined-up approach that harnesses the expertise of humanitarian and development actors to move beyond addressing immediate needs. Strengthening the humanitarian development nexus (see box 1) has become a priority to achieve sustainable development goals (SDGs) for displaced people;<sup>3</sup> in protracted situations, humanitarian and development actors need to work side by side and collaborate to build a coordinated approach for economic inclusion and self-reliance of displaced people.

Many humanitarian and development actors see the value of identifying a more durable solution to the refugee crisis and some are employing market-oriented approaches in displacement contexts to improve the availability of economic opportunities for poor people in a sustainable manner, and to ease the access to them. By promoting the economic self-sufficiency of refugees and their hosting communities, market-based approaches not only seek to encourage the self-reliance of their target populations but also aim to improve social cohesion between refugees and their hosts, as well as strengthening the contribution of refugees to their host countries' economy. They are valuable in protracted humanitarian



### Box 1. The humanitarian development nexus

The nexus between humanitarian and development efforts brings together a humanitarian response by tackling immediate needs in crisis settings, while still addressing structural challenges that affect displaced people. Transformational change is sought not only in markets that surround and impact displaced people, but also within the aid system, looking to influence how aid is planned and financed.

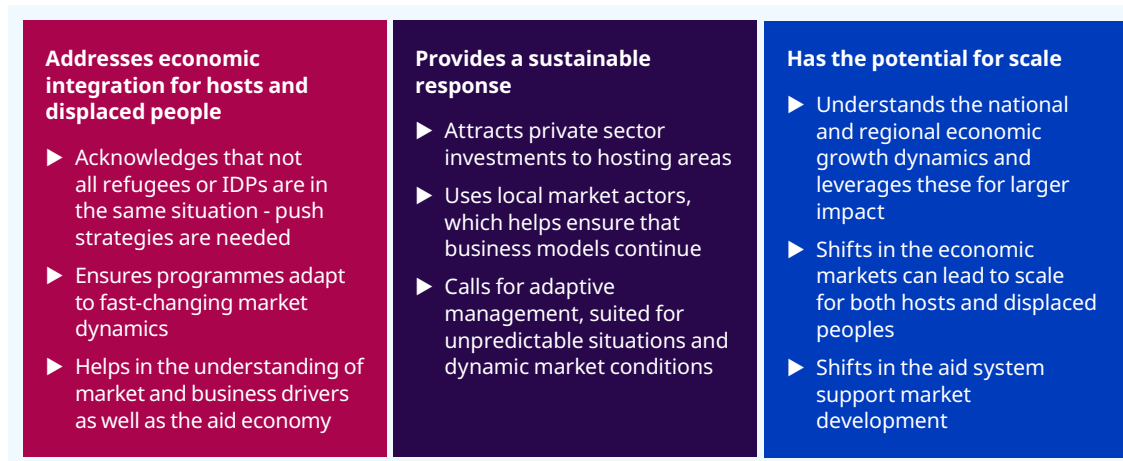
1 As of May 2022. UNHCR, 2022. Available at: <https://www.unhcr.org/news/press/2022/5/628a389e4/unhcr-ukraine-other-conflicts-push-forcibly-displaced-total-100-million.html>

2 After this, the CRRF was rolled out in diverse refugee situations across more than a dozen countries, with lessons learned from it informing the Global Refugee Compact (GRC).

3 Most of the stakeholders identified this as a top priority at the World Humanitarian Summit (WHS) in 2017, by adopting a New Way of Working for situations of protracted displacement.

situations, as they provide real solutions to economic integration and improve the way markets function. These approaches also have the potential to provide sustainable, scalable solutions in response to the protracted nature and scale of the challenge (see figure 1).

► **Figure 1. The value of a market-based approach in displacement settings**



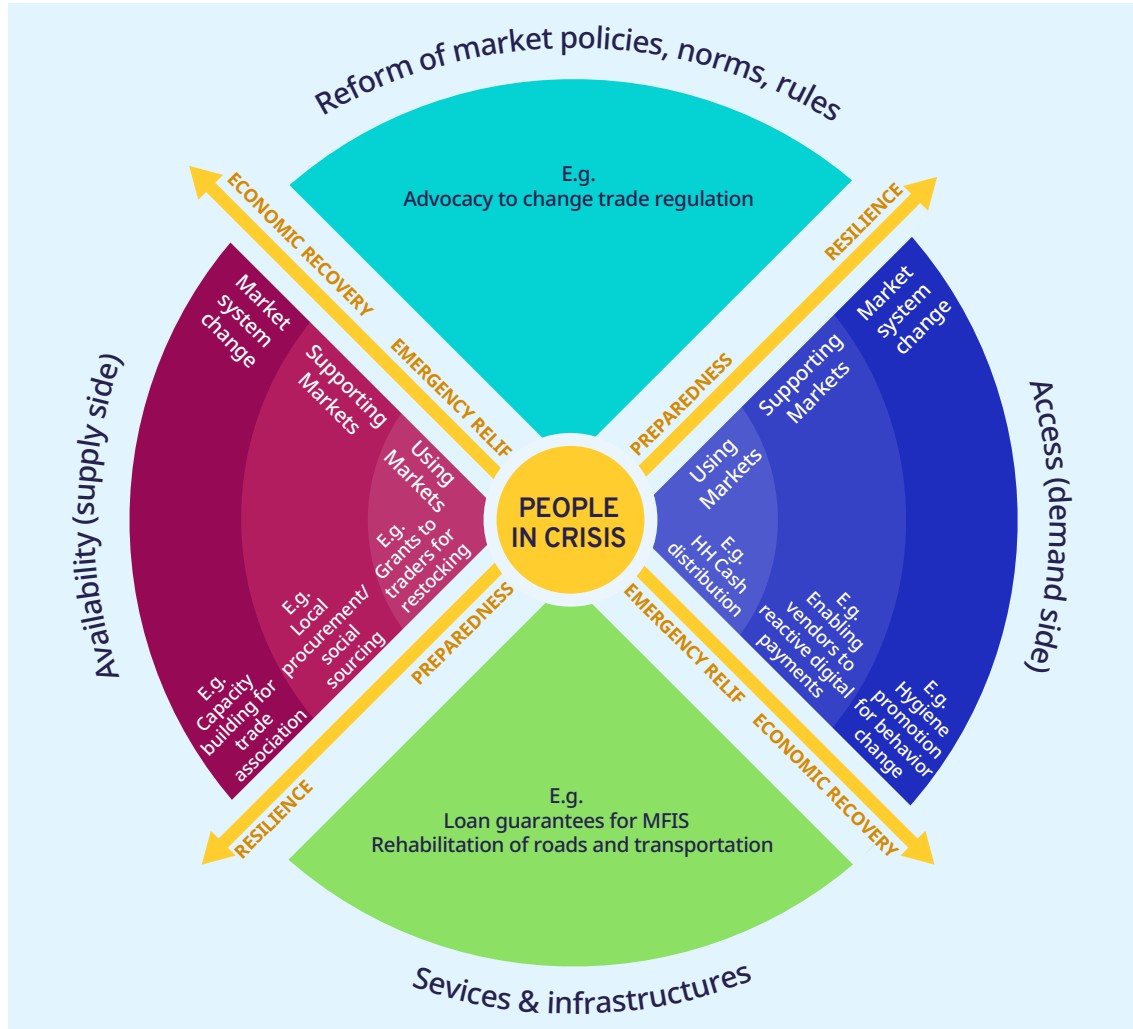
The Market-based Programming Framework developed by the Markets in Crises (MIC) community is a valuable plan that attempts to address the integration between humanitarian and market-based approaches. The three ways to engage with markets as defined by the Market-based Programming Framework are as follows.

- **Using markets.** Interventions are market-aware, that is, using markets to distribute inputs, products or services, for example, using cash transfers rather than food aid or procuring locally through wholesalers or retailers for non-food items.
- **Supporting markets.** Interventions work with existing market actors so that they are better able to serve refugees, IDPs or their hosts. This could be developing new business models with companies that focus on refugee or hosts, or financing small and medium enterprises (SMEs) to increase their capacity to supply products into hosting areas.
- **Changing markets,** defined as shifting the market system so that it works better in reaching large numbers of displaced people and their hosts. For instance, supporting a trade association to change the way business is done in these contexts, or addressing other system constraints to shift the market to work better for refugees or other forcibly displaced persons.

This framework helps illustrate how humanitarian engagement can embrace at a minimum market-aware approaches, including during protection interventions<sup>4</sup> (see figure 2). The use of markets is supported by the Minimum Economic Recovery Standards (MERS) as part of the Humanitarian Standards Partnership (SPHERE) standards, which provide guidance on using markets to address humanitarian and economic recovery needs, as well as by the EMMA (Emergency Market Mapping and Assessment) toolkit, which helps humanitarian actors to use market analysis in emergency contexts in order to be more market-aware and support local market systems.

4 Humanitarian actors are adopting market approaches to minimize distortion in markets even during emergency crises.

► Figure 2. Market-based programming Framework



Source: *Markets in Crises*, 2016

Humanitarian and development programming can also support and change markets to make them work better for refugees, IDPs and their hosts. For MIC, approaches using, supporting and changing markets can be seen in a continuum, from market-aware towards system change, and can also be complementary, building upon each other.

The concept of push and pull strategies also has value in these contexts. Often, livelihood approaches improve the skills or knowledge of refugees without first determining whether there is a market for their skill sets, products or services. This leads to challenges when there is no matching demand for these assets. Therefore, to achieve lasting economic inclusion in a sustainable way, interventions need to be cognizant of the demand side, that is,

#### Box 2. Effective push and pull strategies using a market systems approach

“Push” interventions aim at building the capacities of the target group to engage with the market, for instance through skills development, transfer of assets and/or strengthening social networks, while “pull” factors focus on developing the market systems in such a way as to expand and diversify the economic opportunities available to both the target group and the host community.

awareness of the economic context that surrounds hosting communities and developing markets that offer more and better opportunities. This is especially important in situations where camps are in remote areas with thin markets or in particularly fragile environments.

The push and pull approach aims to work at both ends of the economic spectrum through a more interactive, coordinated, market-led process of change at the individual, household and systems levels (see box 2). Push and pull interventions, while working from different angles and potentially with different actors, are based on a thorough understanding not only of the needs and protection challenges of the target group but also of market realities and trends.<sup>5 6</sup>

Over the past years, market-based approaches have been developed and tested in these contexts using push and pull strategies. The ILO and UNHCR have been a part of this, partnering to implement the [Approach to Inclusive Market Systems for Refugees and Host Communities \(AIMS\)](#) in more than 25 countries and through the multi-agency PROSPECTS Partnership financed by the Government of the Netherlands and implemented in eight countries in East and North Africa and in the Arab States (see box 3). The ILO-UNHCR cooperation contributes to the discussion on bringing humanitarian and development actors together to implement push and pull strategies so that markets work more beneficially for refugees and their hosts.

However, little is known about the types of push and pull approaches implemented in displacement contexts and how effective these approaches have been for refugees, IDPs and hosts, not only within the AIMS work of the ILO and UNHCR, but also more widely within other humanitarian and development organizations.

## Objectives of the research

To this end, the ILO and UNHCR team set out to better understand what is happening in the intersection or nexus of market-based humanitarian and development programming, and what we can learn from these, so that we can more successfully integrate displaced people into the economies where they are

### Box 3. The PROSPECTS Partnership

The PROSPECTS Partnership was launched in 2019 by the Government of the Netherlands with the objective of maximizing synergies and leveraging comparative advantages in responding to forced displacement. The Partnership brings together the International Finance Corporation (IFC), the International Labour Organization (ILO), the UN Refugee Agency (UNHCR), the UN Children's Fund (UNICEF) and the World Bank. It has been implemented in eight countries until 2023: Uganda, Sudan, Egypt, Ethiopia, Kenya, Iraq, Jordan and Lebanon.

The Partnership focuses on three broad areas that are critical to enabling forcibly displaced persons to overcome their specific vulnerabilities and helping host communities to pursue their own development efforts: education and learning; jobs and social protection; and protection and legal status.

Among other areas of work, the ILO and UNHCR have used the AIMS approach to conduct market-led studies to inform the design and the implementation of “push” and “pull” market-led interventions to support the livelihoods of refugees and host communities. Implementation is underway, and it has been decided that this report will explore projects and evidence from PROSPECTS's targeted countries (see also the appendix, Case Study 3: PROSPECTS Lebanon).

5 USAID, A Framework for a Push/Pull Approach to Inclusive Market Systems Development (2015). Available at: [https://www.marketlinks.org/sites/default/files/resource/files/LEO\\_Framework\\_for\\_a\\_Push\\_Pull\\_Approach\\_to\\_Inclusive\\_Market\\_Systems\\_Devel....pdf](https://www.marketlinks.org/sites/default/files/resource/files/LEO_Framework_for_a_Push_Pull_Approach_to_Inclusive_Market_Systems_Devel....pdf)

6 The ILO developed a guide to help practitioners determine the right combination of market-based interventions to help refugees to move towards self-reliance, looking at the “push” and “pull” strategies that tackle both the supply and the demand side of markets. See ILO-UNHCR, [“Approach to Inclusive Market Systems for Refugees and Host Communities \(AIMS\)”](#), 2017.

based. This research set out to shift the discussion from theory to practice and advance the understanding of how market-based approaches can constitute important responses in forced displacement settings. It also aims to encourage better collaboration on market-based approaches in these contexts, not only to inform the ILO and UNHCR and their programming, but also to be of use for practitioners, governments, donors, organizations and projects working in this area.

Consequently, the objectives of this research are as follows.

- ▶ First, reflect on the variety of market-based approaches, particularly on the interplay between push and pull strategies, to determine what these have been able to achieve in forcibly displaced contexts.
- ▶ Second, develop a framework to categorize different humanitarian and development market-based approaches that are being applied in these contexts.
- ▶ Third, identify recommendations on how market-based approaches for the livelihoods of refugees, IDPs and host communities can be refined and enhanced, improving collaboration across the humanitarian development nexus.

The research adopted a case study methodology, identifying and analysing projects that implemented a push or pull market-based approach, or both.

This consisted of five steps.

**1. Initial scoping of market-based approaches in refugee and IDP contexts.** This involved identifying 16 projects in displacement contexts that were using a market-based approach to leverage economic development for hosts, refugees or IDPs who were living in PROSPECTS countries.<sup>7</sup>

**2. Shortlisting and selection of cases.** Eight projects were shortlisted according to the following criteria: if the project was market-based in its approach; if the project was working with refugees or IDPs; and if it had been working long enough to have results. Eight cases from the Middle East and Africa were selected.

**3. Development of case studies.** Case studies were written on each of the selected projects. Information was gathered through secondary data, project reports such as annual and final reviews, contextual documents, and primary data through direct interviews with staff and private-sector actors.

**4. Identification of a framework,** using the cases as a knowledge base to categorize the various market-led approaches currently implemented by development and humanitarian actors and to reflect on their differences and their similarities. This step also helped to inform the analysis of the cases.

**5. Analysis of the selected cases.** We used a grounded theory approach, where cases were compared with each other, and common themes emerged. Key learning and themes were captured from the case study analyses and made the bulk of the report.

Table 1 provides a summary of the selected cases, their country of focus, donor and implementer, as well as additional data such as numbers reached and budget. Information on each case is found in more detail in the appendix.

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<sup>7</sup> Since the ILO and UNHCR partnership involved PROSPECTS countries, it was decided to focus the research on these countries to better inform subsequent interventions targeted there.

► Table 1. Selected cases for analysis

Project	SHARPE	Prospects	Nexus	M4R	Propcom	Local Integration Program	RIMP	PAERA
<b>Country</b>	Ethiopia	Lebanon	Uganda	Uganda	Nigeria	Zambia	Jordan	Niger
<b>Donor</b>	FCDO	The Government of the Netherlands	Danida	FCDO	FCDO	UNHCR	FCDO	UNHCR
<b>Implementer</b>	DAI Europe	ILO	DanChurch Aid (DCA)	Palladium, SC,MC,DCA	Palladium	UNHCR, MoA	World Bank	ILO
<b>Duration</b>	2018 - 2023	2020 - ongoing	2019 - 2023	2017 - 2018	2020 - 2021	2016 - 2017	2018 - present	2019 - 2022
<b>Numbers Reached</b>	41,042 between 15 - 30% refugees	12 host farmers and 132 refugees	500 farmers, 36% refugees	9,490 farmers, ~30% refugees	409,451 IDPs and hosts	665 rural + 80 urban refugees	1,930 jobs (328 refugees) 17%	2,198 (46% refugees)
<b>Project cost</b>	~15.7m USD	1.1 m USD	1.7 million USD	23.6 million GBP for the project 650,000 USD for push	63 m USD for the project; 8.3m USD for the IDP work	453,898 USD for 1 year	N/a	3.5 million USD

The following sections detail the findings from the data mapping and analysis.

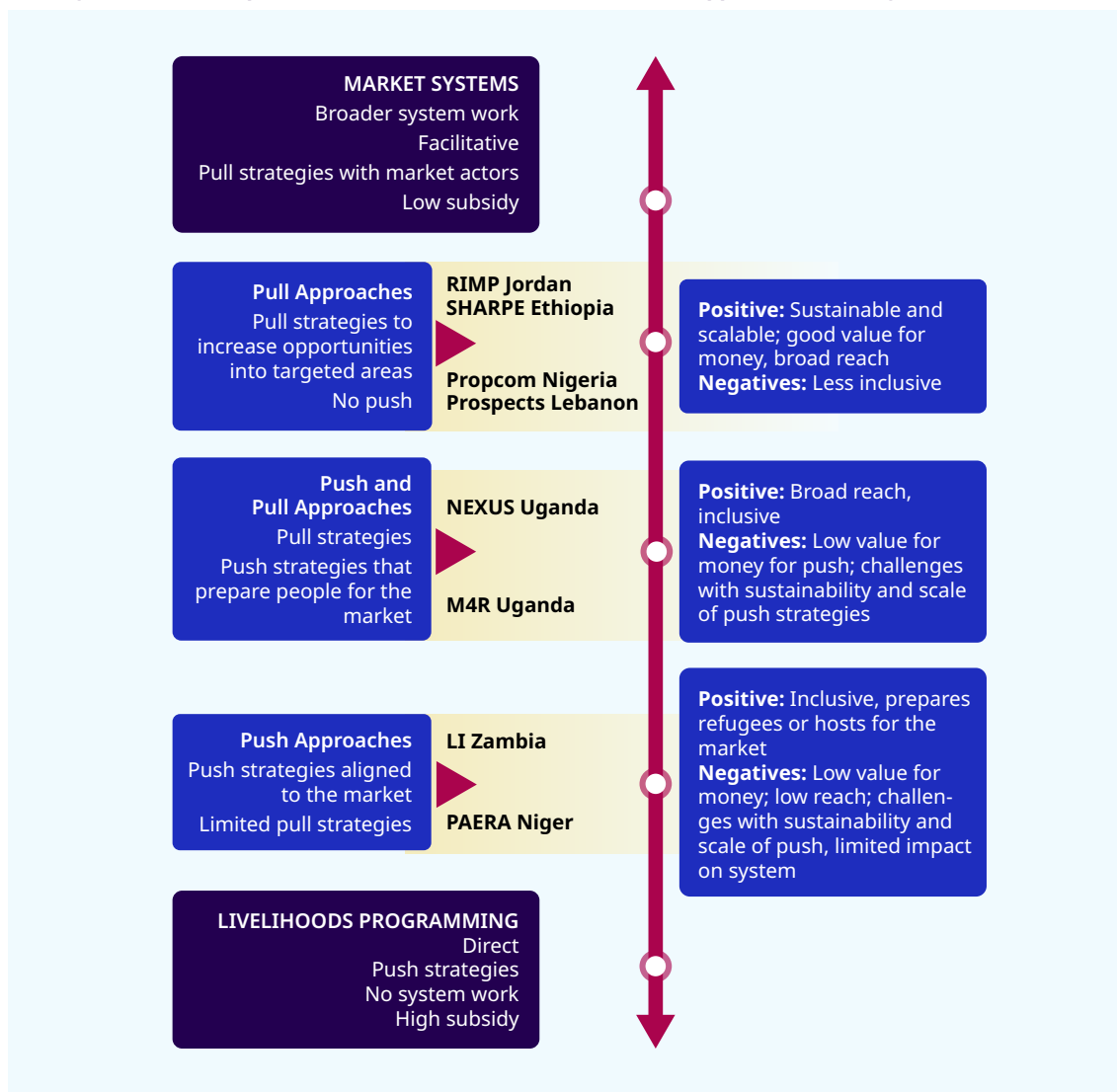


## ▶ II. A typology of market-based approaches in displacement contexts

This section looks at the types of market-based approaches used in refugee and IDP contexts based on the eight sampled projects.

A continuum framework was developed to map these different approaches across the humanitarian development nexus, with market systems approaches on one side and humanitarian approaches on the other (see figure 3). The framework reflects the complexity of the approaches in forced displacement settings, which cannot easily be categorized as applying pure market systems or livelihood and direct delivery practices, but they can be placed closer or further from these two extremes.

▶ Figure 3. Push and pull continuum of market-based livelihoods approaches in refugee and IDP contexts



**A market systems approach.** The market systems approach lies at one end of the spectrum of responses to crises that market-based programming encompasses. These are usually implemented by development practitioners, focused on private sector engagement either to support or change markets.<sup>8</sup> Projects often work to transform the entire system, designing interventions that respond to binding constraints in order to shift systems or markets. Implementers take on the role of a facilitator and work through other market actors. Projects focus on implementing strategies with the private sector, with no push strategies to prepare refugees, IDPs or hosts for the market.

**HUMANITARIAN LIVELIHOODS PROGRAMMING**  
 Direct programming  
 Livelihoods strategies, no pull  
 No system work  
 High subsidy

**A humanitarian livelihoods approach.** On the other side of the continuum is livelihoods programming, characterized by direct delivery of services, products or subsidies, usually the emphasis of humanitarian organizations. There is often a focus on handing out productive assets such as seeds or tools, or providing grants for income-generating activities, as well as directly providing extension training, farmer organization, or training on business start-up. Subsidy is often high, programming is narrow and focused on the targeted beneficiaries, and there is typically no systemic analysis, nor interventions targeted to shift the wider systems where displaced peoples are based.

**MARKET SYSTEMS APPROACH**  
 Broader system work  
 Facilitative  
 Pull strategies with market actors  
 No subsidy

The selected cases were then mapped on the continuum according to the criteria described in table 2.

► Table 2. Push and pull framework criteria

Key criteria	Description
<b>Systemic</b>	<p>Systemic constraints are important in displaced contexts, as binding constraints need to be resolved for markets to work for displaced people. As in any context, if constraints are not addressed, shifts in the markets will not occur.</p> <p>Projects were placed on the continuum depending on whether they addressed the constraints within the entire system or whether they focused more narrowly on market actors within the core only. Systemic – towards a market systems approach; non-systemic – towards a humanitarian livelihoods approach.</p>
<b>Facilitative and direct</b>	<p>When a project is facilitative, it works through existing market actors so that the function remains in the market rather than in project activities. This helps to achieve sustainability, as market actors remain while projects do not. In an IDP or refugee situation, many livelihood projects provide direct support, which can result in a weakening of the role of market actors in the economies where displaced peoples are located.</p> <p>Projects were assessed based on whether the project took on a direct role in the system, or whether it worked through existing market actors. Highly facilitative – towards a market system approach; direct approach – towards a livelihoods approach.</p>
<b>Push and pull</b>	<p>Pull-only strategies help to increase economic opportunities as the market expands and includes displaced people and their hosts, while push-only strategies focus on interventions to prepare people to enter the market. Push and pull strategies can be either direct or facilitative.</p> <p>Whether the project focused on pull strategies with market actors only, or whether push strategies were also incorporated, determined where the project was placed on the framework. Pull-only – towards a market system development (MSD) approach; push-only – closer to a livelihoods approach.</p>

8 According to the MIC market-based framework.

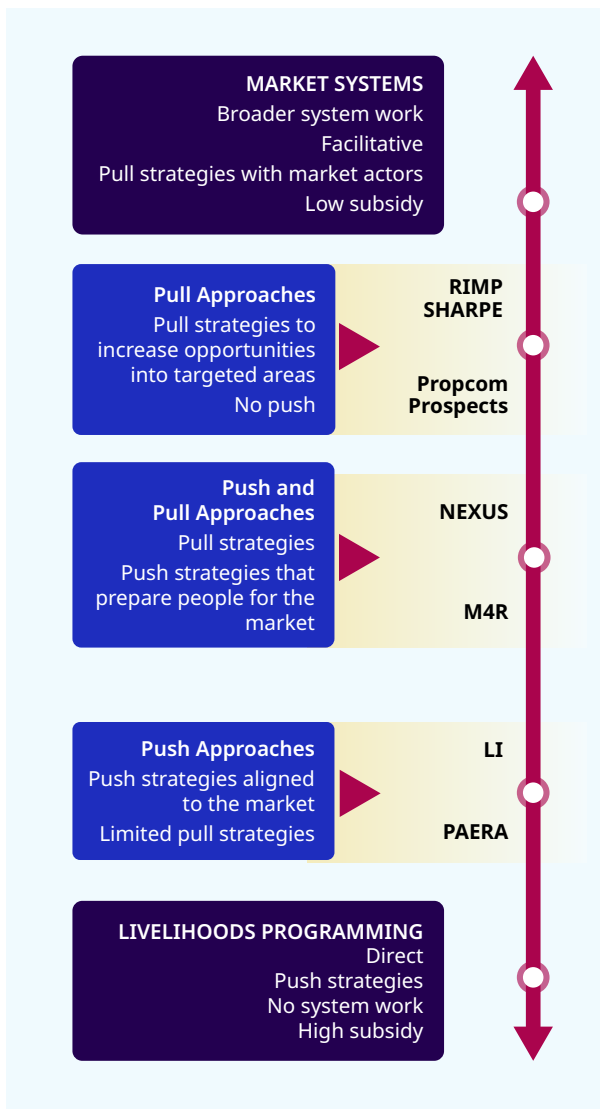
**Type and amount of subsidy**

A core element within a market-based approach is the focus on “smart subsidies” or on strategic “co-investments”, which means that subsidies introduced in a market should not distort but encourage market actors to introduce innovations that would benefit the system and the target group. This is because in a market approach, the ultimate goal is to shift many more market actors in order to shift the entire system.

In refugee or IDP contexts, where there are often higher subsidies and grants to justify the riskier context for the private sector and/or the absence of some market functions and market linkages, this needs to be managed properly to ensure sustainability of the market change as well as scale of the change beyond the intervention (see box 3).

Projects were placed on the framework, whether subsidies were provided that would allow other market actors to adopt the innovation in the market (towards an MSD approach), or whether they used a higher subsidy (closer to a livelihoods approach).

► **Figure 4. Selected cases mapped along the continuum of push/pull approaches**



All our sampled approaches sat in the nexus between a market systems approach and a humanitarian livelihoods approach. There were three distinct market-based approaches that were identified from the eight sampled cases.

These are:

- Pull-only approaches
- Push-only market-informed approaches
- Push and pull focused approaches

All eight cases have been mapped on the continuum, see figure 4 based on the criteria in table 2.

These approaches were then analysed and compared with each other, looking at their positives and negatives in terms of their effectiveness in moving displaced people towards self-reliance, as well as their ability to sustain and scale impact. Each of these approaches is described in more detail below.

## Push-only market-informed approaches

These approaches use well designed push strategies to prepare forcibly displaced people for markets. The theory of change is that more vulnerable people require additional input to be ready for pull strategies that bring them into the market. Market research is conducted to understand where economic opportunities lie and what type of capacities are in-demand and required for refugees to successfully

### PUSH-ONLY APPROACHES

Push strategies aligned to the market Limited pull strategies

integrate that market. This market orientation is what differentiates these approaches from more traditional livelihood approaches, where interventions are rarely informed by market opportunities. Push strategies incorporate a variety of different elements. Projects may organize and train refugees, IDPs or hosts; they may provide some asset transfer, help target groups access finance, provide technical training or other elements.

Ideally, push strategies should still maintain key principles of market systems to achieve sustainability and scale, aligned to the market and to the target group, with subsidies that do not distort, and they should use market actors to implement push strategies (facilitative). However, the reality of operating in displacement contexts, with often thin markets and absent or limited market actors, pushes projects to step in and directly perform push interventions.

For instance, PAERCA<sup>9</sup> in Niger and the Local Integration (LI) Programme in Zambia were informed by market analysis and had designed market-led push interventions; however, project activities were mostly implemented directly, without including the private sector. They also used high levels of subsidy and did not address wider systemic issues, for instance shifting the market or aid systems. In Zambia, this was mostly due to a lack of capacity on market systems approaches in the implementing partners. For PAERCA, it was due to a selection of sectors that had limited presence of private market actors. This ultimately impacted their reach and sustainability.

**PAERCA, Niger**, was implemented by the UNHCR and ILO and ran from 2019 to 2022. Its objective was to increase the access to sustainable and market-based livelihood opportunities for refugees and host communities in Ayorou in the Tillabéry Region.

The project implemented push strategies in rural and urban areas. It concentrated on the aquaculture market in rural areas, while in Ayorou's urban area, it intervened in the waste management sector.

The project benefited 1,015 refugees and 975 members of the host communities through training in waste management collection and aquaculture production. It formed six cooperatives in the two sectors, established two waste collection, sorting, compacting and recovery units, and constructed a fish farming station on 1,350 ha. The project was completed in September 2022 (see appendix, Case 8).

**LI, Zambia**, provided training and input of cassava, groundnuts and beans, reaching 665 refugees in Meheba and Mayukwayukwa refugee settlements. The UNHCR also worked with a cassava offtaker to provide training and offtake to farmers in the settlements. The company gave technical support to refugee farmers and purchased tubers from them.

As a result, the food security situation of the refugees and hosts improved, disposable cash income increased, technical know-how of farming increased, and market linkages were established with the cassava offtakers.

However, the company was unable to access financing, and there were challenges in providing improved cassava cuttings for the refugees, so that the company stopped purchasing cassava from them. The lack of sustainability of the market-based approach was due to the fact that the project did not address the wider systemic constraints that limited the growth of the offtaker (see appendix, Case 7).

9 PAERCA: Pour l'amélioration des moyens de subsistance axés sur le marché pour les réfugiés et communautés d'accueil.

The analysis of these two cases outlined the benefits and challenges of using push-only approaches.

### Benefits of push-only approaches

- ▶ **Push strategies are inclusive.** This approach works with all categories of displaced people, including those who do not typically engage with markets.
- ▶ **They are simpler to plan and manage.** It may be easier to plan, budget and manage push projects, as design and implementation is clear in push approaches, for instance the number of people trained and linked to markets.
- ▶ **It takes less time to achieve quick results.** Results can emerge quickly, for instance the numbers of target groups reached or trained. These quick results can be more palatable to donors and can help to gain some consensus and traction among stakeholders on a market-based approach.
- ▶ **Push strategies can demonstrate market-based livelihoods approaches to other humanitarian actors.** This plays an important role in showing others what is possible in leveraging the market for self-reliance.

### Challenges of push-only approaches

- ▶ **Push-only strategies are expensive and have low reach.** Preparing people for the market requires training, asset transfers and coaching. The larger the target that needs to be reached, the bigger the investment. This leads to low value for money and may dissuade donors from investing in comprehensive approaches.
- ▶ **The sustainability is low without pull strategies.** If an area is selected where the market opportunities are limited, people who are prepared may still struggle to adopt viable economic strategies. The overall economic situation needs to be inclusive, or push by itself will not work. In these cases it may make more sense to link in with other projects that are investing in the private sector in these areas. Also, since push strategies prioritize one group over others, this may prioritize one target group over another.
- ▶ **Limited scale.** Since there is inadequate system work, it may be challenging to obtain scale in these interventions.
- ▶ **Facilitative push strategies may be more difficult to manage.** Push strategies carried out through government, NGO or CSO partners may be more challenging to manage. It is important to ensure that partners are aware of what is required and have the capacity to implement the strategies well.

### Pull-only approaches

#### PULL-ONLY APPROACHES

Pull strategies to target  
refugee/IDP areas  
No push

Pull-only approaches analyse constraints in the system and then work through market actors to change the way the market benefits displaced peoples and their hosts, leading to increased economic opportunities. The theory of change is that working to shift the market system to benefit refugees, IDPs and their hosts will lead to better productivity for businesses, benefiting displaced peoples. Interventions typically focus on a mix of technical assistance and grants to companies to help them

adopt new, commercially viable business models<sup>10</sup> and reduce the risk of working in displaced contexts. It is important to highlight that pull interventions are not to be confused with Corporate Social Responsibility initiatives and go well beyond simply inviting the private sector to the table. They require projects to understand the incentives and capacities of the private sector to develop commercially viable business models that generate profit for the private actor, while creating economic opportunities for refugees. There is limited push; that is, no direct work with the target group. Interventions are done exclusively with private sector actors.

### Benefits of pull-only approaches

- ▶ **They have a potential for high reach.** Pull-only approaches have the ability to reach high numbers, with high value for money. For instance, most of the cases in this category had good reach. Propcom (see appendix, Case 5) reached more than 400,000 IDPs and hosts in two years using a pull-only approach.
- ▶ **They can lead to permanent and sustainable change.** Pull approaches develop viable business models so that the private sector continues to invest in these areas, leading to sustainability. If interventions address the aid and donor system, this could also lead to sustainable changes in the way livelihoods interventions are rolled out to hosts and displaced peoples.
- ▶ **Opportunities for sustainability and scale of pull strategies.** Commercial business models have the potential to expand, which can lead to scale within partner companies, as well as crowd in other market actors. This means that more displaced people and their hosts benefit.

### Challenges of pull-only approaches

- ▶ **Pull-only approaches may not be inclusive.** They do not work with all categories of refugees, rather they focus on those who are already prepared for the market. This may create challenges for some projects or donors who want to work with more vulnerable displaced people. Combining pull activities with push strategies is key to ensure inclusion.
- ▶ **The project design is less clear.** In order to maintain adaptability during implementation, these projects may be more ambiguous. This can create challenges in determining funding amounts, intervention plans and projecting results, which often poses challenges for donors and implementers.
- ▶ **Results are often lower at the beginning and scale exponentially.** The hockey stick effect of results with these pull approaches means that donors and teams need to be aware that low results at the beginning do not mean that the intervention is not working. This requires clear communication and transparency from the start.
- ▶ **Execution can be challenging.** Project teams need to have knowledge and experience of market system approaches in order to make the shifts needed. This requires capacitated teams, and adaptive projects and organizations.
- ▶ **Changing markets takes time and resources.** Shifts in systems take time and money, requiring changes in donor funding cycles and investments.

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10 Insight and case studies on this topic can be found in this ILO report: "[Business models for decent work](#)", 2019.

**RIMP, Jordan**, implemented by the World Bank, is working to shift the overall institutional environment, to establish export services through an institution led by the private sector. However, it has also been able to influence the wider private sector donor system to invest in refugee-owned businesses in Jordan and across the region. This is an example of a pull approach, changing a service provider and the way the donor system invests in refugee-related businesses (see appendix, Case 6).

**SHARPE, Ethiopia**, implemented by DAI, encouraged companies to change their business practices. SHARPE is using a market systems approach, targeting businesses to invest in refugee hosting areas in order to increase the economic opportunities available to refugees and hosts. Key areas of intervention began in 2020, focusing on poultry, financial inclusion and agrodealer interventions.

The project has increased the household or enterprise performance of 41,042 refugees and hosts. Of these, 32,014 have had an increase in income and savings, obtained a job, or were able to increase assets. As many as 27,029 people were impacted through the digital finance intervention, 1,592 through the poultry intervention, and 3,393 through the agrodealer intervention (see appendix, Case 1).

## Push and pull approaches

### PUSH AND PULL MSD

Pull strategies to create opportunities for refugees in the market  
Push strategies that prepare refugees for the market

Push and pull strategies can be used to address the challenges of the pull-only and push-only approaches. Projects are focused on pull strategies that work to catalyse the investment of market actors in and around the displaced contexts so that the market is creating opportunities for refugees, IDPs and hosts. However, these approaches also design and implement complementary push strategies that prepare displaced peoples for these opportunities.

The theory of change is similar to the pull-only strategy, but with the added element that displaced people need additional assistance so that they can benefit from the market. Depending on the level of vulnerability of the target group, more intense push strategies may be needed.

Interventions focus on a combination of technical assistance and grants to companies, as well as subsidy to train up, organize or provide asset transfers to target groups.

### Benefits of push and pull approaches

- ▶ **Sustainability and scale lead to high impact.** Similar benefits to a pull-only strategy if executed well, leading to high reach, sustainability and scale, and good value for money. For instance, with M4R in Uganda, four years after the pilot was completed, companies were scaling the new business model in and around West Nile communities without project funds, reaching many more refugees and hosts.
- ▶ **It is easier to align both push and pull.** The combined approach has the potential to align push strategies with pull strategies, having the same timeline and objectives, since the project is doing both.
- ▶ **Inclusivity.** This approach is inclusive of different categories of vulnerable target groups.
- ▶ **Quick results in push.** Quicker results through push strategies can provide assurance to donors, as pull strategies may not see results for a longer time.

### Challenges of push and pull approaches

- ▶ **Push strategies are expensive and have low reach.** The push and pull strategy suffers from similar challenges to push-only; expensive and limited scale for the push element.



- ▶ **Project design is still ambiguous.** While it might be easier to have a clearer plan for push strategies and create targets and a budgets, adaptability in pull is still required, as markets shift and pull strategies need to shift with them. This can continue to create challenges for donors and implementers in determining funding and estimating results.
- ▶ **Execution may be challenging, as project teams need both sets of skills.** Organizations also need to be flexible in their administrative procedures to implement pull strategies. M4R, Uganda, resolved this by partnering: some of the implementers were oriented towards the private sector (Palladium, Swisscontact) and others skilled at the push strategies (Mercy Corps, DCA).
- ▶ **Time and resources are required.** Push can be done in the short term, but pull strategies will still need time for any impact to be seen. For example, the short term of both of the profiled projects (M4R and NEXUS) meant there wasn't enough time to adequately influence the systems.

▶ **M4R, Uganda,** was implemented by the Palladium, Swisscontact, Mercy Corps and DanChurch Aid (DCA). The pull approach of changing markets reached larger numbers of refugees and hosts, even four years after the pilot was completed. The strong business model used meant that there was sustainability for the agrodealers, as well as expansion within the region. However this could have been leveraged further if the project had addressed additional systemic constraints such as financing for market actors, or used the agrobusiness trade association to promote the model more widely. Furthermore, with no influence on changing the way that NGOs and others implemented livelihoods strategies, the push strategies ended once the project ended (see appendix, Case 2).

▶ **Nexus, Uganda,** implemented by DanChurch Aid (DCA) used push and pull strategies in a supporting markets approach. They were able to reach 500 farmers, 36 per cent of them refugees in Northern Uganda. The Nexus team worked directly with market actors to provide inputs, certification, post-harvest, and market linkages to get orange flesh sweet potato (OFSP) exported into the Danish market. DCA also linked farmers to the local market. It remains to be seen whether the market actors will sustain the export channel once the project concludes. However the Nexus team believes the local sales of OFSP will be maintained by local market actors (see appendix, Case 4).

Based on the mapping and analysis, we see that push and pull strategies have value in order to best respond to the needs of displaced people in protracted situations.

- ▶ Employing pull-only approaches in the projects profiled meant that less vulnerable groups of refugees or IDPs were reached, for instance Propcom, RIMP, PROSPECTS and SHARPE reached those who were already able to take advantage of economic opportunities. This included refugees already employable, with access to assets, or who had existing skills or financial or social capital relevant for the sectors selected. Furthermore, the numbers of refugees or IDPs reached was typically much lower in the pull-only strategies than in hosting groups: SHARPE reached 15 to 30 per cent of refugees in its interventions, RIMP had 17 per cent of the new jobs created for refugees, while Propcom was not aware of its IDP reach. PROSPECTS did reach a majority of refugees through the 12 targeted farms, although hosts also benefited (that is, those employed by the farms and the marketing companies).
- ▶ For push-only approaches, the challenge became that the preparation of the target groups for market opportunities without ready and available market actors meant that economic opportunities did not materialize or were not sustained or scaled. As such, UNHCR Zambia struggled to sustain the links to markets and the cassava market opportunity without adequate pull; and PAERA had to create market actors as the sectors chosen had few existing private sector actors. This impacted both projects on sustainability and scale.

Therefore, in order to create opportunities for displaced people and their hosts, and also to prepare vulnerable categories of people for these opportunities, push and pull strategies should be employed.

## ► III. Towards market-based approaches in displacement contexts

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In order to best ensure that push and pull approaches can deliver on the impact, sustainability and scale that we want to see in these contexts, these approaches must be done thoughtfully, intentionally, and often in collaboration with others.

Keeping in mind the concepts of both push and pull as well as the desire to shift market-based programming towards increasing systemic approaches, key recommendations emerged from the research to guide both humanitarian and development practitioners. These were grouped into four categories: market systems design, targeting, project management and partnership. These are discussed in detail in this section.

### 1. Effective design of market-based approaches

#### Design needs to be systemic and have adequate timeframes.

**Ensure that at the design stage, the wider system is analysed and interventions developed to address the binding constraints.**

Systems analysis is critical to ensure that interventions are focused on the correct catalytic points, so that there is sustained, scalable change for displaced peoples and their hosts.<sup>11</sup> The PROSPECTS, Lebanon, case study ([see case study 3](#)) and Propcom, Nigeria, ([see case study 5](#)) illustrate that the wider macro-economic conditions, as well as the security situation, can also impact on a project's success. As illustrated by the SHARPE example ([see case study 1](#)), analysis should also take into account rights for refugees, and should work to shift regulations and policy so that refugees obtain the rights they need to take advantage of economic opportunities. The PROSPECTS, Lebanon, case also illustrates the importance of continually analysing and adapting projects to address new or changing constraints.

In displacement contexts, both the humanitarian and/or donor systems impact on how well market-based approaches work for refugees, IDPs and their hosts. Therefore, analysis should take into account the wider aid and donor system and intervene at these levels if this constrains market development for target groups. For instance, projects can use push strategies to demonstrate and shift the aid system, or pull strategies to shift the market and donor systems. The RIMP case in Jordan highlighted how demonstrating to the wider World Bank Group and other donors impacted on donor investments for the private sector in displacement contexts ([see appendix, Case 6](#)). Projects also need to consider that while proper analyses are key to inform project design, these studies are useless if project staff do not have the technical capacities to implement their recommendations and to work with the private sector (see below under the heading Viable partnerships for market-based approaches).

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<sup>11</sup> Relevant guidance on conducting market systems analysis can be found in the ILO guide "[Value Chain Development for Decent Work](#)", 2021, and the ILO-UNHCR "[Guide to market-based livelihood interventions for refugees](#)", 2017.

► **Addressing binding constraints is critical**

**SHARPE, Ethiopia.** The SHARPE team found that interventions with market actors were not impacting many refugees – mostly hosts were benefiting. Upon further analysis, it was found that refugees were not able to open bank accounts or get their businesses registered, so that they could not become business partners. The team realized that without addressing the wider constraint of not having papers for registration, their interventions would not benefit many refugees directly. Consequently, the project pivoted to addressing constraints to registration for refugees ([see appendix, Case 1](#)).

► **Take stock of issues that affect the overall economic conditions**

**Propcom, Nigeria,** found that a waning national economy impacted on the success of some interventions. Where they were dependent on equipment or infrastructure that was imported, a declining currency and importation restrictions weakened the viability of business models, including tractor hire and the use of solar-powered small equipment. By definition, this is difficult to predict or to alleviate, though programme lobbying on importation tariffs did contribute to some easing of equipment costs ([see appendix, Case 5](#)).

**Design projects with enough time to adequately prepare displaced peoples and shift markets.**

In humanitarian contexts, both public and private sector actors are more familiar with direct delivery donor initiatives than market facilitation and are more used to quick turnarounds and delivery. However, it takes time to bring on board private sector partners who are willing to engage with a market systems approach in these contexts. Push and pull strategies require multi-year funding and a realistic budget to set up sustainable partnerships and initiate systemic changes in the sector selected.

For instance, with M4R in Uganda, the push and pull strategies only focused for 12 months (see box below); LI in Zambia was also a 12-month programme. For both these projects, their short duration impacted on sustainability and reach. However, for Propcom in Nigeria, even though they worked only for two years in the IDP areas, they were able to leverage their previous seven years of programming in other parts of the country. Allowing enough time to obtain the results that we desire is critical, and displacement contexts can be especially challenging, as markets are thin and humanitarian programming is distortive. This message may be challenging for funders who want quick fixes and who want refugees off food or cash transfers quickly. There needs to be a change in the donor mindset so that funders are more realistic on the investment and time needed to initiate substantial and systemic changes.

► **Changing systems takes time**

**M4R, Uganda,** was a one-year pilot from 2017. This meant that very little time was spent on addressing the wider systemic shifts needed to impact refugees and their hosts in Northern Uganda, as the pilot focused mostly on input and output markets for refugees and hosts. The project did not take enough time during the design phase to look at the wider systemic constraints, and the pilot was not designed with enough time to address the wider system ([see appendix, Case 2](#)).

## 2. Successful targeting within market-based approaches

### **Be realistic on reach and impact and select sectors that benefit the target group.**

#### **Inclusiveness: know your target group, and what is needed to link them to markets.**

The ability of interventions to reach different socio-economic levels of displaced peoples depends on the success of both pull and push strategies. On the push side, you need to know whether vulnerable people have the capacities (knowledge, skills, access to finance, assets, and so on) to plug into the market; on the pull side, how well the business models of companies include vulnerable people.

However, if a project is providing push strategies and there is no corresponding pull, and the market is not inclusive, then the project will need to be realistic about what can be done by push alone. This should be determined during the design phase. For instance, in the LI, Zambia case, the lack of a private sector in and around the camps meant there were limited market opportunities for linking the trained refugees (see appendix Case 7).

► **For push-only approaches, choose areas where there are stronger markets and less insecurity**

**LI, Zambia.** For the UNCHR, the challenging context meant there were limited large private sector actors in and around the camps. Without any pull interventions to help private sectors move into the area, the project struggled to link prepared refugees to markets (see appendix, Case 7).

For pull-only approaches, if other projects are not preparing refugees, IDPs or hosts for the market (a lack of push), it is important to be realistic about how many displaced people of what type can be reached through pull-only strategies. This is illustrated in the SHARPE example (see appendix Case 1), which determined that by pull-only strategies, the project was impacting a smaller number of refugees and benefited those that were ready for the market. In the RIMP case study, in Jordan, the project realized they were impacting urban refugees only, since the larger businesses they were targeting did not exist in the rural areas.

Furthermore, it is important to understand the specific elements needed to push displaced peoples into markets. Learnings from graduation approaches, which work with very poor and marginalized populations, have shown that shifting people from poverty into self-reliance is expensive because of the intense level of support these approaches offer. Graduation models focus on addressing the lack of assets, limited knowledge of markets and low access to finance, as well as social poverty of the most vulnerable groups. Push strategies for refugees and other displaced people need to think similarly, recognizing these but also addressing additional challenges, such as psychological trauma, barriers to economic integration, as well as rights for refugees, among others.

The four analysed cases that used push strategies did not take a comprehensive approach in their strategies. These projects provided training, some asset transfer and links to markets, but they did not adopt the comprehensive approach that graduation models have determined to be critical for success. Borrowing on successes such as USAID's Graduating to Resilience programme in Uganda, a graduation project working with refugees and hosts could help with this.

**Ratios: the ratio between displaced peoples and their hosts depends on the commercial viability of the business model.**

When working with private sector actors on market-based approaches, companies may need to rely on higher percentages of hosts as clients or suppliers in order to develop viable business models, as they may need to have the right number of "established" buyers or suppliers to enter a new or thin market. Furthermore, in more transient areas where refugee or IDP populations are not stable, the host population can be the major selling point to companies, as they will remain customers even if refugees migrate or return home.

► **A strategic and dynamic ratio**

**SHARPE, Ethiopia,** has a ratio of approximately 15 to 30 per cent of refugees, depending on the intervention. For instance, in the financial intervention, refugees could not open mobile money accounts as they did not have residency permits. SHARPE believes that the numbers of refugees participating in their markets will increase as more refugees obtain residency status. This is a good example of encouraging market actors to start with hosts to make sales and then shifting to refugees as customers as the barriers are removed (see appendix, Case 1).

This means that the ratio of refugees or IDPs to hosts will vary between business models, as this ratio depends on the number of customers or suppliers a company's business model needs in order to break even. For instance, in the SHARPE case, the agrovet intervention reached 30 per cent of refugees and 70 per cent of hosts; the digital inclusion intervention reflected 15 per cent of refugees as customers, yet only 5 per cent of the poultry growers were refugees in the poultry intervention. If displaced people are new to the product (as in SHARPE's poultry intervention) or have barriers to purchasing or selling to the company (refugees couldn't open mobile money accounts owing to the lack of registration in SHARPE's digital inclusion intervention), the ratio will be lower. Over time, market-based interventions can address the barriers for refugee inclusion in markets so that there are stronger business models for companies in these contexts.

### Select sectors that work for displaced people, and where existing market actors can be leveraged.

Ratios may not be so relevant if refugees can move and settle freely and if interventions are less localized. In these contexts, interventions resemble more classic market systems approaches, where a project selects a sector and designs interventions to promote growth and job creation in that sector. For instance, in the cases of PROSPECTS, Lebanon and RIMP, Jordan, choosing sectors and companies where refugees were involved ensured that refugees benefited. For RIMP, 17 per cent of the new jobs created benefited refugees; for PROSPECTS, all the workers on the farms that were targeted were refugees. In these contexts, sector or company selection is critical to obtain a strong representation of the target group.

Strong analysis needs to be done to choose sectors and companies that provide good returns for the target group. Another key criterion for sector selection when working with refugees is to take into account not only their existing capacities and skills but also the current rules, regulations and even social norms that influence whether refugees can actually be employed in the sector. The PROSPECTS project in Lebanon selected the agriculture sector, as Syrians are traditionally employed as workers on these farms (see appendix Case 3). By improving the agricultural market opportunities, more Syrian refugees can be employed.

#### ▶ Select sectors that provide good returns for displaced peoples

**PROSPECTS, Lebanon**, selected agriculture, as many Syrians have worked on farms in Syria and have the right skills, but opportunities in Lebanon are limited. By helping farms to grow and demand more workers, this will create more job opportunities for Syrians with an agricultural background (see appendix, Case 3).

#### ▶ Select sectors that are viable, and that have existing market actors

For **PAERCA, Niger**, the initial value chain analysis identified aqua-culture as a sector. However, this sector did not have many private sector actors. This meant that the project needed to develop and build market actors, for example, starting cooperatives. This proved to be a slower strategy for the project, resulting in lower numbers of refugees reached (see appendix, Case 8).

However, the fact that a huge part of the target group is employed (or wants to be employed) in a sector doesn't necessarily make it a strategic choice; the sector might be over-saturated and the scope for expanding inclusive economic opportunities might be very limited. Furthermore, sectors need to be chosen where there are private sector actors and expanding opportunities. Market-based programmes will struggle to be successful if there are few market actors that can adopt new business models in the selected sectors. This can be challenging in displacement contexts, as markets are often thin and markets become distorted by humanitarian aid, which dis-incentivizes new market actors from entering these markets. For example, PAERCA, Niger, selected two sectors that had high NGO involvement and limited market actors. This meant a more challenging, expensive approach, as the project had to establish co-operatives; that is, build up market actors in these sectors.

### 3. Effective project management for market-based approaches

#### **Be adaptive, be systemic, be facilitative and ensure subsidy is not distortive**

**Market-based programming in refugee or IDP contexts needs to be highly adaptive, both at the staff and organizational level.**

Projects need to adjust models with businesses, drop those that are not working, and be continually scanning markets for new opportunities. Staff on implementing teams require both entrepreneurial and technical skills to do so. Furthermore, effective adaptability requires the implementing organization to set up its structures and processes to allow adaption to occur. For instance, organizations need to be flexible in their administrative procedures to implement facilitative strategies, and that is often seen as a problem for project teams. Many of the projects studied for this research had to continuously adapt; for instance, M4R (see appendix Case 2) changed their approach because of humanitarian handouts; PROSPECTS adapted the project to incorporate a stronger focus on financial constraints because of the financial crisis in Lebanon (see appendix Case 3).

#### ▶ **Minimize the impact of market distortion on viable business models**

**M4R, Uganda.** Selling sorghum and sesame seeds through agrodealers became almost impossible when NGOs began handing them out for free. The project had staff on the ground who saw what was happening and adapted quickly, shifting sales to other crops, such as groundnuts, that were not being handed out (see appendix, Case 2).

#### ▶ **In fragile and rapidly changing contexts, adaptive management is key**

Lebanon is experiencing one of the world's worst financial crises in over a century. Under its AIMS component, the **PROSPECTS Lebanon** team, working in the horticulture sector, has taken its pre-crisis learning on the market and adopted a highly adaptive path forward. For the project team, working in a collapsing economy meant accepting that there are now limits to what can be achieved. But it also meant persevering and continuously adapting the programme strategy to an ever-changing environment in an effort to continue to make an impact. A sound market assessment, flexibility and ongoing review of market intelligence were required for the programme to be constantly aware of what is happening in the market and adapt to that. Far from being obsolete, the programme's focus on increasing productivity in the sector is now more important than ever to safeguard the livelihoods of both farmers and workers sustainably in the sector (see appendix, Case 6).

**Ensure the principle of facilitation is maintained, even if it takes more time and effort.**

Direct approaches are often quicker, but facilitation lasts longer. Many projects in these contexts justify their direct role because markets are thin. The principle of facilitation was not always maintained in the cases analysed, with some projects using direct approaches, for instance, handing out seeds, organizing farmers into groups, directly funding and holding workshops on extension with project funds, market information or quality parameters.

The M4R, Uganda, case study used a direct approach for push strategies only, while Nexus, Uganda, used a direct approach, not only when working with refugees and hosts but also with market actors (see box below). The challenge with projects taking on a role within the system is that this will affect sustainability and can discourage other market actors from becoming involved. Maintaining the principle of facilitation ensures better sustainability and the potential of scale.

► **Direct approaches may impact on sustainability and scale**

Nexus, Uganda, mostly used a direct approach in working with farmers and market actors. DCA did all the organizing of farmer groups, paid for the certification of farmers, handed out seeds and made linkages to the export company. The exporter had minimal investment other than buying the produce. This may impact adoption by others ([see appendix, Case 4](#)).

However, it is easily justified for projects to take on the direct role of a market actor in displaced contexts where there are no companies in the targeted area. Nonetheless, there is enough evidence in the cases analysed to demonstrate that there are often market actors, both local and external, who, if properly supported and accompanied, could provide products and services even in these difficult contexts. Maintaining the principle of facilitation ensures better sustainability and the potential of scale.

**The principle of using “smart” subsidies should be maintained as much as possible in displacement contexts to achieve sustainability and scale.**

Some projects used a cost-share approach when working with market actors (for instance Propcom, SHARPE, M4R); others funded most of the changes or innovations in the business model (for instance Nexus, PROSPECTS). Using higher subsidies with the private sector risks the sustainability of the business model, impacting on the success of the project in its reach and scale. However, the context needs to be taken into consideration. For instance, with PROSPECTS, the temporary subsidy for greenhouses for farms was justified because of the collapsing banking sector, and the project subsequently facilitated funding for farm equipment through an impact fund. This made the initial high subsidy justifiable, as it was short-term, and there was an exit strategy in place (see box below).

► **SHARPE, Ethiopia** required market actors to cost-share at least 50 per cent in the new business models with refugees. SHARPE believes that keeping subsidies lower will lead to others being more easily able to adopt the model once the business case has been proven ([see appendix, Case 1](#)).

► **Subsidies should be temporary with a clear exit strategy**

**PROSPECTS, Lebanon**, adapted the project to respond to the financial crisis in Lebanon. PROSPECTS set up a temporary subsidy scheme to facilitate investments of pioneer farmers in new greenhouses. At the same time, the project is currently exploring a partnership with an impact investment fund to extend loans to farmers in an effort to replace the collapsing banking system ([see appendix, Case 3](#)).

## 4. Viable partnerships for market-based approaches

**Ensure proper selection and monitoring of implementing partners and that staff have the technical competence on market-based approaches.**

**Partners need to be fully sold on market-based approaches and have the organizational capacity to implement these approaches.**

Partner staff should understand the approach, or they will revert to traditional livelihood practices. This means that the choice of implementing partners needs to be well thought through. If there are gaps in the implementation capacity of partners or the overseeing organization, then projects should work to address these. For the LI case in Zambia, the partners selected to implement the project did not fully understand a market-based approach, and the UNHCR did not provide enough support to their partner to ensure capacity was built (see box below).



Mapping the presence of other donor-funded initiatives early is critical to determine who to partner with. Mapping will also help to see whether distortive handouts will negatively impact market systems approaches. For instance, in Nigeria, Propcom had to look at several NGOs to identify synergies and leverage points (see box below). Mapping the presence of other donor-funded initiatives in thin markets is a vital early tool in determining where best to achieve impact.

► **Partners need to be vetted and capacity built if gaps exist**

LI, Zambia, found that a lack of capacity at the implementing partner level, and also within the UNHCR, impacted on project results. The staff of the UNHCR's implementing partner did not have expertise in market-based approaches, so their implementation was poor, leading to poor results. At the UNHCR's level there was a lack of monitoring and supervision to address these challenges. This raises questions about the capacity of implementing partners, but also about the role of the UNHCR in tracking progress and providing timely solutions to the issues or challenges that arose. There is a need for stronger technical support at the implementation level, as well as within the UNHCR, to support a market-based livelihoods strategy ([see appendix, Case 7](#)).

**Project staff should have the technical competence on working with the private sector.**

Information and training of market-based approaches needs to be provided within the rapidly changing staff in humanitarian organizations, so that the teams have the technical competence and the relevant experience to ensure they do what they need to do. Even when staff are implementing push-only strategies, they need to understand the value of the market, and principles of market-based strategies.

► **Early mapping of donor-funded initiatives is valuable**

For instance, in Nigeria, Propcom erroneously assumed their market-based approach could leverage on the previous work of humanitarian organizations. However, they found that the fundamental objectives of many of these NGOs were so different from those of a market-based programme that even collaboration proved to be difficult. Through ongoing mapping, they eventually found livelihoods programmes where there was synergy with respect to outcomes, and partnered with these ([see appendix, Case 6](#)).

## ▶ IV. The way forward: improving market-based approaches across the humanitarian development nexus

The objective of this research was to understand how to best leverage market-based approaches in protracted situations. This was in recognition of how humanitarian and development actors are increasingly employing more market-based approaches to provide real solutions for refugees, migrants and their hosts, helping to move them towards self-reliance.

This research was also instigated in recognition that both humanitarian and development actors work differently within these contexts, even as the primary objective of benefiting people remains the same. To that end, the ILO and UNHCR aimed to engage with humanitarian and developmental actors who were using market-based approaches to understand how best to work across the humanitarian development nexus, shifting the discussion from theory to practice.

The research concluded that in order to contribute to better collaboration on market-based approaches, and to best respond to the needs of displaced people in protracted situations, both push and pull strategies need to be employed as it is foreseen by the joint ILO-UNHCR AIMS methodology currently being implemented in more than 25 countries in the Global South. The importance of this dual push and pull strategy was made clear in the research, as employing pull-only approaches meant that less vulnerable groups of refugees or IDPs were reached, and lower numbers of refugees or IDPs were impacted than hosting groups. For push-only approaches, the preparation of the target groups for market opportunities without a corresponding market meant that economic opportunities did not materialize or were not sustained or scaled.

Consequently, in order to create opportunities for displaced people and their hosts, and also to prepare vulnerable categories of people for these opportunities, both push and pull strategies should be employed. And in order to best ensure that push and pull approaches can deliver on the impact, sustainability and scale that we want to see in these contexts, these approaches must be done with increasing systemic and transformational thinking. Figure 5 adapts the MIC framework to propose a pathway showing how livelihoods programmers and push-only projects, from both the humanitarian and development sectors, can gradually move towards more market-informed and market-transformative strategies, from using markets towards changing markets. Only then can we obtain the wider transformational change we need to respond adequately to the scale of the displacement crisis.

▶ **Figure 5. Conceptualizing the way forwards in the use of market-based approaches**



The research outlined several key recommendations to best deliver practical solutions for both humanitarian and development practitioners. These are summarized in table 3.

► **Table 3. Recommendations for market-based programming in displacement contexts**

Summary of key recommendations	
<b>Effective design of market-based approaches</b>	<ul style="list-style-type: none"> <li>► Analyse the wider system and develop interventions that address the binding constraints.</li> <li>► Design projects with enough time to adequately prepare displaced peoples and shift markets.</li> </ul>
<b>Successful targeting of displaced peoples and their hosts within market-based approaches</b>	<ul style="list-style-type: none"> <li>► Know your target group, and what is needed to link them to markets to ensure inclusiveness.</li> <li>► Ensure there are enough established customers or suppliers to create viable commercial business models by adapting the ratio of hosts to displaced people.</li> <li>► Select sectors that work for target groups, and where existing market actors can be leveraged. This is especially important where markets are thin or there is market distortion through the aid sector.</li> </ul>
<b>Effective project management for market-based approaches</b>	<ul style="list-style-type: none"> <li>► Market-based programming in refugee or IDP contexts needs to be highly adaptive. This requires skilled staff, flexible budget and adaptive organizations.</li> <li>► The principle of using subsidies should be maintained in displacement contexts to facilitate sustainability and scale. If using high subsidy, mitigate any negative impacts on the market and develop an exit strategy.</li> </ul>
<b>Viable partnerships for market-based approaches</b>	<ul style="list-style-type: none"> <li>► If working through partner organizations, staff and management need to value and understand market-based approaches and have the organizational capacity to implement these approaches.</li> <li>► Project staff should have the technical competence to work with the private sector.</li> </ul>

The push/pull framework and the resulting practical recommendations can guide both humanitarian and development practitioners as they work to adopt push and pull market-based approaches, working more effectively across the nexus. However, we also recognize that compromises are often necessary in these contexts, depending on the context and crisis. Nevertheless, to the extent possible, adherence to these recommendations will ensure that both humanitarian and development actors respond more intentionally and sustainably in protracted displacement contexts. We believe that by doing so, this will create the transformation change necessary to move refugees, IDPs and their hosts towards economic self-reliance.

## ► Appendix: Case studies

### Case 1. The SHARPE Programme, Ethiopia

**Objectives.** Strengthening Host and Refugee Populations in Ethiopia (SHARPE) is a 3.5-year initiative funded by FCDO and implemented by DAI Europe. SHARPE's goal is to strengthen the economic self-reliance and resilience of host and refugee communities by fostering inclusive economic growth in three refugee hosting regions in Ethiopia: Gambella, Dollo Ado and Jijiga, in the Gambella and Somali regions. SHARPE applies a market systems development (MSD) approach.

#### Intervention approach

SHARPE is using a market systems approach, targeting businesses to invest in refugee hosting areas in order to increase the economic opportunities available to refugees and hosts.

SHARPE began with extensive market analysis during a lengthy inception phase. Analysis was undertaken in six different markets: livestock, agriculture, fisheries, poultry, the aid sector, energy, the financial and business services sector, and the labour market.

From this analysis, initial areas of intervention were developed, and began in 2020.

**Ethiochicken.** Growing the poultry sector by bringing a large private sector actor into the refugee areas to address key issues such as supply of day-old chicks (DOCs), and access to feed and veterinary services by providing a package of services to Mother Units (MUs) or SMEs that grow DOCs to pullets and then sell into the market. The improved breeds of poultry fatten more quickly and produce more eggs than indigenous chickens. This will provide employment to the Mother Units, the small businesses that begin raising pullets, and will also benefit those who purchase the chickens as consumers.

**Hello Cash and Somali MFI.** Increased access to financial services such as mobile savings and loans for refugees and hosts. Finance is an enabler so that target groups can take advantage of productive opportunities. This intervention has focused on establishing mobile agents in the hosting areas and then offering financial products such as mobile money, savings and loans.

**Agrodealers.** Working with agrodealers in the refugee hosting areas to offer improved inputs to pastoralists and farmers. The focus is on sourcing quality inputs as well as marketing into the refugee areas to improve their access to these products.

#### Learning

- It takes time to catalyse market development with undeveloped refugee hosting areas. This is not dissimilar to economic development in other underserved areas.
- You can reach refugees through pull strategies, but push strategies will increase the numbers of refugees reached.
- The enabling environment has a significant impact on whether refugees can take advantage of opportunities in markets.
- If the economies that surround refugees do not develop to the level that can provide opportunities for refugee integration (employment or self-employment), many will never be able to get off food or cash assistance.

#### Context

The target areas are undeveloped and far from the main economic centres. However, the Somali Region (Jijiga and Dollo Ado) has positive relations with the host community, while Gambella, in the West, struggles with ethnic conflict and insecurity that impacts on market opportunities for refugees. The Somali Region's economy is closely aligned with trade with Somali and Kenya, with Dollo Ado refugees, in particular, linked to cross-border trade. The Gambella camps are further from the border, so the economic opportunities are local.

The lack of rights impacts many refugees in the country. This means that refugees are limited in mobility, work, registration of businesses and obtaining bank accounts. This is changing with the commitment of the Government of Ethiopia to the CRRF and efforts to get refugees residency rights.

#### Results

The project has reached 41,042 refugees and hosts, with an increase in enterprise or households performance. Of these, 32,014 have had an increase in income, increased savings, a job, or an increase in assets – DFS intervention: 27,029; poultry intervention: 1,592; agrodealer intervention: 3,393.

£1,906,405 net attributable income change (NAIC - mostly from the agrovet intervention)

Working through 1,043 businesses:

- £13,590,193 of increased sales
- £894,839 of investments made by market actors

## Case 2. Markets for Refugees (M4R), Uganda

**Objectives.** The 12-month pilot explored whether a market systems approach was viable in a refugee context in northern Uganda. The goal was to improve incomes and resilience of refugees and hosts through increased agribusiness investments by the private sector, which meant that refugees and hosts had access to seeds, information and offtake in order to sell their produce. This pilot, which took place in 2017 and 2018, focused on the Bidibidi and Palorinya settlements in West Nile, Northern Uganda (note, camps are called settlements in Uganda. This was an FCDO-funded project.

### Intervention approach

Markets for Refugees and host communities (M4R) began in the West Nile subregion in northern Uganda in 2017. It was implemented by DanChurch Aid (DCA) and Mercy Corps who focused on the push interventions, and Palladium and Swisscontact on the pull interventions under the NU-TEC MD Project (Northern Uganda – Transforming Economies Through Climate-smart Agribusiness). This pilot project targeted 3,500 host community and 1,500 refugee farmers in two settlements, Bidibidi and Palorinya. The goal was to improve the incomes and resilience of refugees and hosts by providing access to improved seeds, and offtake through increased agribusiness investments by the private sector.

The approach employed both push and pull strategies. This entailed rebuilding the refugees' asset base to prepare them for market engagement, while at the same time encouraging markets to function better in these areas. The push interventions involved building the capacity of farmer groups, training on good agricultural practices and quality standards, and links to market. The pull interventions included the promotion of improved, climate-smart seeds, with beneficiaries receiving discounts averaging 50 per cent in the first months, reduced to 40 per cent by the end of a 12-month period. Agrodealers used agents to reach down to refugee hosting areas and employed a variety of other marketing techniques to improve their sales, including promotional events. This demonstrated to the private sector that refugees can be a commercially viable market.

### Learning

- ▶ Commercial viability of the market opportunity needs to be determined during the initial market analysis.
- ▶ Choosing crops that provided food security, that can be sold on the local market and have a strong offtake market helped to mitigate the risk for farmers.
- ▶ The extent to which the pull element collaborates with other actors who are doing the push determines the success and sustainability of interventions.
- ▶ The aid system remains a challenge to market-based approaches. It is difficult to implement a market-based approach when NGOs distort the market.
- ▶ Not all refugees are extremely poor; some arrive with savings and other assets and can begin engagement with the private sector almost immediately.
- ▶ There continues to be a need to understand the critical push strategies and their sequencing, to prepare different levels of refugees for the private sector.
- ▶ The host community needs to be involved from the beginning to bring in the private sector and begin the pull components, while at the same time preparing refugees for the market.
- ▶ The use of smart subsidies allowed the private sector to see the commercial viability of the business model before investing themselves.
- ▶ The positive regulatory environment was a key contributor to the ability of refugees to engage in the targeted markets.
- ▶ Working on the wider systemic issues is required to make the market shifts needed. This also takes more time than a 12-month pilot provides.

### Context

Uganda is one of the highest refugee-hosting countries in the world, with 1,582,892 million refugees. In West Nile, Northern Uganda, more than 700,000 South Sudanese refugees have settled in this one subregion. Uganda has a good enabling environment that provides freedom of movement, employment, education and health services for all refugees.

Northern Uganda is a thin market characterized by few private sector actors, a sparsely distributed population and a high cost of doing business. Refugee settlements are located far from major urban centres, the area and the host communities are poor and undeveloped.

### Results

- ▶ Hosts and refugees increased their participation in the market from 15 per cent at the baseline to over 50 per cent at the end line. This translated into increased incomes.
- ▶ Pilot partners remained in the market without support, and new entrants have been observed.
- ▶ After 12 months, 2,636 hosts and refugees reported increased access to improved inputs. After three years, the number increased to 9,490 through the ongoing reach of private sector actors.

## Case 3. AIMS component under PROSPECTS Programme, Lebanon

**Objectives.** The focus of the Partnership for improving prospects for forcibly displaced persons and host communities (PROSPECTS) is to improve the access of Syrian refugees and their host communities to decent work opportunities through skills development, employment services and better social protection schemes. Within PROSPECTS, the ILO is using the “Approach to Inclusive Market Systems (AIMS)” to promote inclusive growth and job creation in Lebanon’s greenhouse horticulture sector by facilitating the uptake of high-productivity technologies and production practices and connecting farmers to new market opportunities.

### Intervention approach

Greenhouse horticulture farms are typically owned by Lebanese, but over 90 per cent of greenhouse workers are Syrians, suggesting that job creation in the sector would primarily benefit Syrians. The project set out to encourage growth by tackling the root causes of low productivity, helping farmers to introduce high-productivity greenhouses and production practices, and connecting them to new market opportunities.

The project partnered with private greenhouse suppliers to launch pilot trials with 12 farmers to test modern multi-span greenhouses. After a year, trials confirmed revenue increases averaging roughly 60 per cent on pilot farms. Next to these productivity benefits, it was confirmed that multi-span greenhouses improve the working conditions for the workers.

However, research confirmed that the farmers were not aware of the immense benefits and therefore did not see modern greenhouses as a worthwhile investment. Using data from research and the trials, the project convinced greenhouse suppliers to invest more into informing farmers and increase sales of greenhouses, partnering with them to launch campaigns with videos, brochures and information sessions.

Unfortunately, soon after the start of the project in late 2019, Lebanon was hit by a severe economic and financial crisis.

As the financial system collapsed and the local currency devaluated, farmers found themselves unable to finance the largely imported inputs required to maintain production. Many started abandoning their farms, and their refugee workers lost their livelihoods.

While increasing productivity in the sector is now more important than ever to safeguard the jobs of both farmers and workers, the project realized that access to information on new technologies was no longer the only constraint. The crisis had led to a breakdown of informal credit arrangements offered by suppliers to farmers, meaning that the project had to pivot and explore ways to support farmers in financing these investments.

A temporary subsidy scheme has therefore been launched to facilitate investments of pioneer farmers into new greenhouses. At the same time, the project is exploring a partnership with an impact investment fund to extend loans to farmers, in an effort to replace the collapsing banking system.

### Learning

- ▶ A sound market assessment, flexibility and ongoing review of market intelligence were required for the programme to be constantly aware of what was happening in the market and to adapt.
- ▶ Working within a challenging macro-economic context makes adaptation even more important. Direct approaches may also be required in these contexts to cushion the immediate effects of crises.
- ▶ Projects need to be realistic about what can be achieved in contexts of severe financial and economic crisis. Without a minimum of macro-economic stability, electricity and infrastructure results will be limited. Projects should also continue to strive to work towards long-term systemic goals.

### Context

Around 1.5 million Syrian refugees remain displaced in Lebanon, accounting for nearly a quarter of Lebanon’s total population; this is the highest per capita concentration of refugees in the world.

The legal environment is very restrictive: Syrian refugees can only work in agriculture, construction or domestic services. Projects are not allowed to promote livelihoods of Syrians directly.

Lebanon has been hit by a severe financial and economic crisis. The breakdown of the financial sector and subsequent liquidity crunch caused the economy to collapse, meaning massive job losses and increasing poverty for both Lebanese and Syrians. This crisis has reinforced the stance of the government towards refugees. Projects are now being asked to put Lebanese first, and Syrian refugees are encouraged to return to Syria.

### Results

- ▶ This project is still ongoing, and impact is limited by the escalating financial and economic crisis. In its pilot phase, the project was able to reach:
  - ▶ 12 host farmers who increased their revenues by an average of 60 per cent
  - ▶ 132 Syrian refugee farm workers who benefited from improved working conditions and safeguarded their jobs.
  - ▶ More importantly, it encouraged the private sector to start investing in informing farmers about new productive technologies.



## Case 4. The Nexus Programme, Uganda

**Objectives.** The Fresh Food Nexus Project is focused on catalysing sustainable market development by training smallholder farmers to grow certified organic fruit and vegetables for export and for local markets. The objective is to improve smallholders' livelihoods through increased income opportunities for refugee and host community farmers, especially women and unemployed youth. The commercial objective is to promote an energy-efficient and sustainable cold chain for organic products for ready-to-sell markets, including Denmark via sea transport to reduce CO<sub>2</sub> emissions. The project aims to demonstrate how responsible trade contributes to sustainable growth – for small and large companies and for small producers in northern Uganda.

### Intervention approach

The Fresh Food Nexus Project uses a market-based approach, focusing on preparing refugee and host community farmers to grow export produce for the Danish market. This is a DANIDA-developed initiative working with a Danish import company, Nordic Fruit. The project, implemented by DCA, uses push and pull strategies to get orange-fleshed sweet potato (OFSP) to market.

The push approach involves training farmer groups using demonstration plots and organic certification, as well as training on value addition for farmers to invest in off-farm businesses for the local market. Farmers are guaranteed a price that is approximately 30 per cent higher than the market price when they sell their products for export through the Ugandan export company Lishe.

The pull intervention involves encouraging offtake of OFSP by Lishe, which exports the produce to the Danish market via the wholesaler Nordic Fruit. Lishe is responsible for training and certifying small farmers in organic and climate-friendly production methods. Produce that is not exported is sold at the local market or converted into sweet potato flour and sold.

Engaging local market actors to offtake the second grade sent market signals for refugee and host community farmers to invest in OFSP production, as this market was larger than the export potential.

The project has exported two containers into the Danish market.

### Learning

- ▶ Switching from export only to export and domestic markets was critical to vary the opportunities for sale of the produce.
- ▶ The principles of market systems, specifically facilitation versus direct intervention, as well as high subsidy costs, impact on sustainability and scale.
- ▶ The selection of the product was based on the interest of an exporter, rather than analysing the market and leveraging the local opportunities. While an opportunistic approach does not limit the success of a project, care needs to be taken to determine the benefit to the target group.
- ▶ Export markets are more challenging than local markets and require more support services in order to export successfully. This is more complicated and requires strategic systemic work to get all the market actors involved and commercially viable for sustainability.
- ▶ For refugee interventions, outreach was limited to a small group, as it required intensive investment on the push for them to be ready for the market. The small number of farmers may make it less commercially viable for the market actors to operate without subsidy.
- ▶ The model used here of high subsidy for both push and pull strategies may limit sustainability and scale.

### Context

Uganda is one of the highest refugee-hosting countries in the world, with 1,582,892 million refugees. In West Nile, Northern Uganda, over 700,000 South Sudanese refugees have settled in this one subregion. Uganda has a good enabling environment that provides freedom of movement, employment, education and health services for all refugees.

Northern Uganda is a thin market characterized by few private sector actors, a sparsely distributed population and a high cost of doing business. Refugee settlements are located far from major urban centres, the area and the host communities are poor and undeveloped.

### Results

- ▶ 500 refugee and host farmers have accessed internal and international markets which has earned them a cumulative revenue of US\$34,626 from the sale of OFSP.
- ▶ The project has provided awareness of the nutritional benefits of OFSP.
- ▶ New businesses in value addition have emerged, providing local employment opportunities for others.



## Case 5. Propcom, Mai-karfi (PM), Nigeria

**Objectives.** Propcom Mai-karfi (PM) is a market systems programme funded by the United Kingdom through the Foreign, Commonwealth and Development Office (FCDO) which seeks to make northern Nigeria's rural markets work for the poor. It is implemented by Palladium. The focus of the last two years of PM was to provide protection assistance and to support resilience and recovery in the conflict-affected states of Borno, Adamawa and Yobe, working to increase the economic opportunities and market access available to IDPs by targeting host communities. The project proactively identified needs and opportunities to promote market re-engagement and recovery amongst IDPs, and leveraged past and existing partnerships to drive interventions that improved livelihoods and resilience.

### Intervention approach

Project activities supported durable solutions in the three states, supporting IDPs and hosts on a number of interventions, typical for market system projects. Here we focus on the three most successful.

- ▶ **Agricultural inputs.** Expanded work on last-mile distribution and community seed multiplication. This included the development of last-mile agents – Rural Seed Promoters (RSPs) – boosting retailer presence to ensure product availability and increasing community out-growers to augment the local supply of climate-adapted varieties of seeds.
- ▶ **Poultry and livestock.** PM supported community-based organizations to build the capacity of internally displaced women on poultry production, while offering them a chance at starting their own enterprise through the provision of chicks. PM also leveraged past partnerships with two companies to expand distribution and last-mile delivery of vaccines, veterinary products and services while advocating for the expansion of the Community Animal Health Workers (CAHW) model.
- ▶ **Mechanization.** Reduces drudgery, with cost savings of up to 45 per cent compared with manual labour, thus improving productivity. The programme supported two past partners by sharing demand information from IDP host communities and connecting them to e-extension partners.

### Learning

- ▶ Market development initiatives working in fragile and post-conflict settings require a nuanced and adept approach that is cognizant of the realities on the ground, alongside excellent local knowledge and understanding of micro-markets in different locations.
- ▶ It takes time and patience to take on board intervention partners who are willing to engage with a market systems approach, where they are required to alter their usual approach to engaging in the relevant value chain and embrace risks to reach new markets with goods and services.
- ▶ IDPs are keen to engage and to strengthen their resilience and economic well-being.
- ▶ The private sector is a willing partner and can be constructively facilitated to support the development of people living within IDP host communities.
- ▶ The assumption that an MSD programme could leverage on the footprint of acute humanitarian organizations to identify potential beneficiary groups was flawed. Mapping the presence of other donor-funded initiatives in thin markets is a vital early tool in determining where best to achieve impact.
- ▶ The MSD hockey stick effect takes time. Achieving sufficient momentum for change in a value chain through a facilitation approach often takes more time than is allowed for a typical MSD programme.
- ▶ A dynamic and deteriorating security situation, as well as the COVID-19 restrictions, required adaptive working practices.
- ▶ A faltering national economy and importation restrictions weaken the success of interventions and their viability.
- ▶ Evidence from Propcom has shown that the private sector needed less priming than envisaged, with many assumptions less relevant than originally thought within the IDP context. For instance, the micro economy within a given host community is inclusive and benefits IDPs when they can engage in a business based on hiring their labour and/or agricultural, poultry and livestock work as part of a widening production base.
- ▶ The nexus between humanitarian engagement and local market development is key for sustained IDP self-development. However, security INGOs and donors found it difficult to engage in the “thin” markets typical of post-conflict environments and, in some cases, distorted the markets with the provision of subsidized inputs to poorly targeted IDPs.

### Context

Some 1.92 million people in Northeast Nigeria are displaced internally, and 257,000 have sought refuge in neighbouring Cameroon, Chad and Niger. The states of Borno, Adamawa and Yobe have remained the epicentre of insurgent activities since 2009. The majority (54 per cent) of the IDPs have found refuge in host communities. The Nigerian economy has also been challenged since 2020, affected by weak global oil markets, volatility in the Northeast, a deteriorating security status, and the COVID-19 pandemic.

### Results

- ▶ 409,451 poor farmers and small-scale rural entrepreneurs recording net additional income change as a result of programme activities (223,787 women).
- ▶ 91 per cent of poor farmers with at least 15 per cent increase in income.
- ▶ 51 partners and market actors invested in pro-poor innovations that the programme helped to pilot; 91 per cent of these have continued with these innovations and/or made changes to the original business model.

## Case 6. Refugee Investment and Matchmaking Platform (RIMP), Jordan

**Objectives.** Improving access to livelihoods and economic opportunities for Syrian refugees by working with SMEs to promote refugee employment, entrepreneurship, investment, and adaptation of products and services in support of refugees and host communities. This project focuses on larger companies, mostly located in urban areas. It connects local small and medium-sized enterprises (SMEs) to supply chains and investment to increase their growth and reach into refugee populations or areas. The Department for International Development – UK (DFID) provided financing to RIMP through an Externally Financed Output (EFO) agreement in December 2018.

### Intervention approach

RIMP activities are designed to be impactful in creating employment for refugees and capitalizing on Jordan's export potential. RIMP is therefore built around four key pillars.

- ▶ Matchmaking and business-to-business (B2B) market development. The first pillar seeks to identify, facilitate and promote B2B opportunities between global and local businesses in support of refugees and host communities. This focused on upgrading the capabilities of companies, concentrating on businesses that were “refugee-related”, that is, owned by refugees, employing refugees, located in the same areas as refugees (operating outside or near a camp), or in sectors that have growth potential to employ or source from refugees.
- ▶ Investment catalysation, to unlock just-in-time investment to the private sector to help expand employment, products and services for refugees and host communities in Jordan. RIMP has worked with IFC and the Open Society Foundation to improve investments in the refugee space and develop an investment capital fund. This will address investment opportunities of US\$2 to US\$10 million in Jordan through mezzanine and flexible capital, technical assistance (TA) and intermediation services. The TA will help companies integrate refugees (for instance as employees, or through product lines focused on refugee products or services).
- ▶ Policy linkages and institutional development. The goal of this pillar is twofold: first, to transfer capacity to local authorities and intermediaries to carry on B2B activities on a sustainable basis; second, to ensure that country-specific policy and sector work benefit.
- ▶ Global knowledge and partnership. This pillar focuses on global knowledge, advocacy and outreach to mobilize the private sector in support of refugees and, more broadly, to engage the private sector and philanthropic actors in committing to tangible action around the sustainable development goals.

### Learning

Achieving impact requested an agile, responsive and adaptive approach.

The focus on urban areas required a different approach, which was not oriented towards sectors but to business growth. This allowed the benefits to reach a wider number of companies, and ultimately refugees.

RIMP was able to influence others widely. By demonstrating its value, it achieved widespread recognition for its work and helped to shift other programmes and companies towards including refugee interventions.

Demand for RIMP and Private Sector for Refugees (PS4R) is widespread. RIMP's work has raised interest across the World Bank Group, with a growing number of bank teams interested in applying RIMP's methodology, as well as international actors keen to join the private sector for a refugee agenda.

RIMP's focus has had to adapt to an ever-evolving local political climate. The Government of Jordan's vision that RIMP should benefit both refugees and hosts (Jordanians) was essential for the programme to maintain a wider sector development approach.

### Context

For over a decade now, Jordan has been host to large numbers of refugees fleeing conflict and persecution in neighbouring Syria, with 663,000 Syrian refugees registered, making it one of the countries with the highest number of refugees per capita in the world.

Jordan has been at the forefront of the debate on global burden-sharing in refugee responses and pioneered new approaches, most notably the 2016 Jordan Compact.

While Jordan offers a relatively favourable protection environment, and the country initially adopted a welcoming policy toward displaced Syrians, this has become more restrictive over time.

### Results

- ▶ A total of 82 Jordan-based businesses have received enterprise development, export marketing and B2B services.
- ▶ 1,930 jobs created from business transactions (17 per cent refugees, 69 per cent women).
- ▶ US\$64.5 million in investment from business transactions supported by RIMP.
- ▶ US\$114 million in sales from business transactions supported by RIMP.
- ▶ Interest from other World Bank offices on the RIMP approach; now expanding into Djibouti, Yemen, Lebanon and Iraq.

## Case 7. Local Integration Program (LI), Zambia

**Objectives.** The UNHCR, in partnership with the Government of the Republic of Zambia (GRZ), is implementing the Local Integration (LI) Program, focusing on promoting improved livelihoods for former refugees who qualified for integration within the UNHCR's and Zambian government's **Strategic Framework for Local Integration of Former Refugees in Zambia**. The target group is 10,000 Angolan and 4,000 Rwandan refugees. The project aimed to contribute to the economic development of the settlement camps and their surrounding areas, namely Meheba (district of Solwezi) and Mayukwayukwa (district of Kaoma).

### Intervention approach

The ILO, in conjunction with the UNHCR, undertook a detailed value chain and market assessment in 2015 for former refugees in Zambia. The assessment and situational analysis of the current challenges and opportunities of the former refugees revealed that they have limited livelihood opportunities and are economically marginalized, making it difficult for them to be self-reliant and meet their day-to-day survival needs.

Market conditions are more favourable in Meheba than in Mayukwayukwa due to it being less remote, and also because of the increased mining activity in the three mines close to the settlement area.

Several interventions were identified in the analysis: in Meheba, the focus crops were maize, beans and vegetables, while in Mayukwayukwa they were groundnuts and cassava. The following strategies were devised, in addition to an urban project that focused on training and asset transfer.

### Push strategies

- ▶ Provide agriculture production for 665 refugees in Meheba and Mayukwayukwa
- ▶ Organize 220 refugees into farmer groups and provide training
- ▶ Provide inputs to farmers (including cassava for 400 farmers)
- ▶ Organize farmers for offtake
- ▶ Provide self-employment skills training, financial literacy, and business training for 85 urban refugees
- ▶ Provide finance through VSLAs and grants
- ▶ Give employment support, market linkages, and mentoring to these urban refugees.

The programme worked with a cassava offtaker, Premiercon Starch Co. Ltd., to provide training and offtake to farmers in the settlements. The company provided technical support to refugee farmers and purchased tubers from them.

### Learning

- ▶ The implementation timeline needs to be long enough to work with market actors and address other systemic constraints.
- ▶ Adequate expertise within the UNHCR is critical to design and implement market systems projects.
- ▶ The UNHCR is focused primarily on protection needs, with livelihoods becoming a secondary focus. This needs to shift if the UNHCR wants to focus on getting displaced people off aid.
- ▶ Need to have pull strategies, especially in communities where markets are not engaging with refugees and other displaced peoples.
- ▶ The UNHCR implementing partners needed more systemic technical input and expertise.
- ▶ Align the market-based push approaches to the category of refugees and hosts that will benefit from these.

### Context

Zambia is signatory to the 1951 Convention on the Status of Refugees and its 1967 Protocol. The rights to movement and paid employment for refugees emanate from Zambia's reservations to the 1951 Convention. In 2017 Zambia became one of the first countries to adopt the CRRF, which preceded the Global Compact on Refugees (GCR) that defines who is a refugee, their rights and the obligations of the member countries.

The settlements are isolated, far from markets, with limited private sector actors and other required infrastructure. Some of the settlements are close to the mines, so this created some opportunities for supply.

### Results

- ▶ 665 individuals received agricultural assistance, 85 urban refugees.
- ▶ Food security situation improved, disposable cash income increased, market linkage established through the cassava out-grower scheme, technical knowhow of farming increased.

At the end of the pilot, most of the former refugees were still highly dependent on the UNHCR and humanitarian assistance and did not achieve self-reliance.

## Case 8. PAERCA, Niger

**Objectives.** The project aims to create an enabling environment for the economic empowerment of refugees and host communities through market-oriented livelihood support interventions, with the goal of increasing the access of refugees and host communities to sustainable and market-based livelihood opportunities in Ayorou, Tillabéry Region. This project was focused on push strategies. The project was implemented from 2019 to 2022 with a total budget of US\$3,400,000. The target of the project is to reach 1,000 people: 500 refugees, 500 non-refugees.

### Intervention approach

A joint UNHCR-ILO market analysis was conducted in 2018 within the framework of supporting livelihood development of Malian refugees in the regions of Tillabéry and Tahoua. This study has identified intervention opportunities in several value chains.

Three main initiatives were designed.

1. **Improve access to business development services.** The capacity of businesses and cooperatives, and of financial and non-financial service providers, will be strengthened to maximize their support to refugees and host communities. The objective is to improve the access to information and sustainable enterprise development services for refugees and hosts.
2. **Develop the aquaculture market.** Livelihood-based interventions in the aquaculture value chain designed so that refugees and host communities have an improved and equal access to livelihood opportunities. This will be the project's core intervention.
3. **Waste management.** This intervention will focus on a solid waste management intervention in the resettlement site and Ayorou's urban area. The goal is to increase the engagement of refugees and host communities in solid waste collection and recycling in the urban area of Ayorou.

### Learning

- ▶ Working against the aid mentality is challenging. It is critical to have more consultation and synergy with projects and NGOs working in Ayorou with the same target.
- ▶ Push without the private sector may not lead to commercial viability. It is difficult to develop successful push strategies without a complementary pull of the private sector.
- ▶ Working in challenging economic environments requires targeted pull strategies to bring in the private sector.
- ▶ The wider economic and social environment was a challenge. Conflict and insecurity, as well as COVID-19, impacted on the results of the project.
- ▶ While the project was designed for three years, starting at the beginning of the COVID pandemic meant that much of the first year was a challenge.

### Context

Of the 54,961 Malian refugees in Niger, the overwhelming majority are hosted in the refugee camps of Tabareybarey, Mangaize and Abala, and in the hosting area of Intikane, which are all located in the border regions of Tillabéry and Tahoua. Besides the refugees, there are 70,000 IDPs in the two regions.

The Government of Niger and the UNHCR seek to accelerate the socio-economic integration of the Malian refugees and the closure of the camps through urbanization. Malian refugees in Niger have the right to work and to engage in commercial activities.

### Results

- ▶ 2,198 people (direct and indirect), including 1,015 refugees and 975 members of host communities, were impacted.
- ▶ Push strategies implemented:
- ▶ 896 beneficiaries of the fish farming value chain, including 460 refugees, two cooperatives were formed; development of a "Farmer to Farmer" (FTF) extension approach; 258 beneficiaries sensitized and trained in the collection and recovery of plastic and organic waste. Four cooperatives were formed in waste management; training refugees and host communities in the construction of onion storage facilities.
- ▶ Two waste collection, sorting, compacting and recovery units were established in Ayorou.
- ▶ A fish farming station on 1,350 ha (30 basins, a buffer basin, a store, 20 mobile basin hatchery, kiosk) were constructed.

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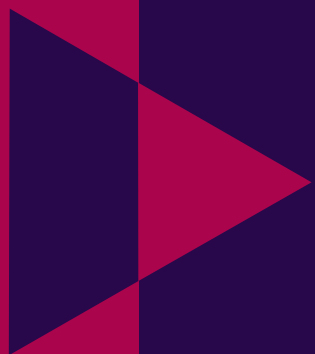
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