In partnership with

UNHCR
The UN Refugee Agency

mastercard foundation

JOBS AND EMPLOYMENT

for Forcibly Displaced Communities in the East and Horn of Africa and Great Lakes Region

Congolese refugee and entrepreneur Mahoro Florence, 38, ferries a passenger on her motorcycle taxi, which she operates to support her eight children, © UNHCR/Yonna Tukundane

FOREWORD

In a region where forced displacement keeps increasing and at the same time protracted and complex, the ability of refugees to access employment as early as possible is critical. Employment is more than a livelihood—it is a pathway to self-reliance, dignity, and contribution. When refugees are able to work, run businesses, and support their families, they cease to be seen solely as recipients of aid. They become agents of change, contributing to local societies and economies, strengthening social cohesion, and reducing the long-term burden on humanitarian systems. This transformation is essential for building inclusive societies and achieving durable solutions.

This discussion note offers timely and evidence-based insights into the employment landscape for refugees in the East and Horn of Africa and Great Lakes (EHAGL) region, and the critical role that economic inclusion plays in advancing protection, stability, and development.

The data and analysis presented here underscore both the urgency and the opportunities. Refugees face significant barriers to employment, from legal restrictions to limited access to markets and services. Yet, the evidence is clear: where inclusion is enabled—through supportive policy environments and access to documentation and freedom of movement—refugees have the tools to thrive, and so do the communities that host them.

This document is a call to action for governments (national and subnational), development actors, the private sector, and civil society. It challenges us to move beyond short-term responses and invest in systems and the human capital that unlock the potential of all people, regardless of status. In doing so, we not only uphold national and regional priorities, as well as the Global Compact on Refugees—we build a future where displacement does not mean despair, but the beginning of new opportunity.

Mamadou Dian Balde
Regional Bureau Director, East and Horn of Africa & Great Lakes Region, UNHCR

Congolese welder forges a formidable path.© UNHCR/Charity Nzomo

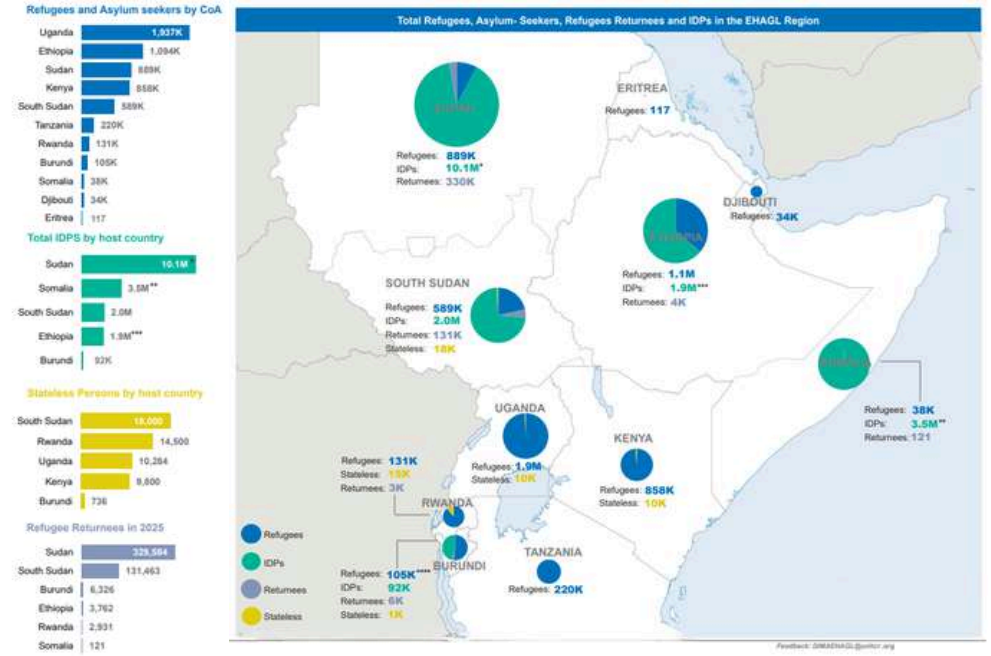
THE POTENTIAL OF SUSTAINABLE RESPONSES

Socio-economic inclusion is one of the most effective protection tools for refugees and their host communities. When refugees can work, run businesses, and support themselves, they are no longer seen only as displaced – they become contributors to local development. This shift reduces dependence on humanitarian aid and helps prevent exclusion and discrimination.

In the East and Horn of Africa and the Great Lakes (EHAGL) region, advancing refugee self-reliance through sustainable economic opportunities is both a protection priority and a development strategy. This guidance note outlines key considerations to support the socio-economic inclusion of refugees, grounded in the belief that access to territory, fair and timely status determination, access to, and recognition of, identity documentation, and inclusion in the local economy are mutually reinforcing pillars of a sustainable response.

Informed by the objectives of the Global Compact on Refugees (GCR) and in line with the humanitarian-development-peace (HDP) nexus approach, this document aims to guide UNHCR and partners in transitioning from short-term assistance to long-term, market-based solutions. It provides practical direction for policy dialogue, legal reform, programme design, and multi-stakeholder engagement — emphasizing the need to create and sustain environments where refugees and host communities can thrive together from the outset of a forced displacement crisis.

Total refugee, asylum-seekers, refugee returnees and internally displaced persons (IDPs) in the EHAGL region



Source: UNHCR Data Portal (2025)

CURRENT SITUATION

The East, and Horn of Africa and Great Lakes (EHAGL) region faces complex and protracted displacement crises, driven by conflict and political instability, compounded by increasing weather hazards, poverty and economic inequality. With millions of forcibly displaced people, humanitarian aid alone cannot meet long-term needs. A shift toward sustainable responses — defined as the transition from short-term aid to self-reliance and resilience — is essential to protect refugees and support the communities that host them.

Socioeconomic inclusion is a centerpiece of UNHCR's sustainable responses to forced displacement.[1] It is essential for promoting refugee stability, self-reliance, dignity, and economic contribution. It allows refugees to contribute to host communities through taxes and contributions to social protection systems. It reduces long-term aid dependency and fosters social cohesion. With opportunities for work and business, refugees can restore their well-being and enhance their resilience in protracted crises. This approach aligns with global development goals, supports durable solutions, and promotes gender equality, making it key to both humanitarian and economic development efforts. For UNHCR, this means working with governments, development actors, and the private sector to help include refugees into national systems – such as those for identification, services and planning – and foster favorable regulatory conditions for long-term investment in refugee-hosting areas.

Across Africa, labour markets face deep structural challenges. Most new jobs are informal, lacking social security and outside of labor laws -a challenge that is especially acute in fragile and conflict settings. Between 2010 and 2020, 75% of new jobs in Sub-Saharan Africa were in self-employment or microenterprises. Only one in four workers held wage jobs. Looking ahead, 15 million new jobs per year will be needed by 2030 to hold employment rates steady and address high levels of poverty.[2] Investments in skills and supporting the formalization of work are needed to help employees get higher-paying jobs. At the same time, small businesses, which drive job creation, need better access to financing, infrastructure, and supplies to grow and transition to higher-productivity sectors.

In the EHAGL region, the employment landscape reflects these trends. Only 6 in 10 adults are employed, mostly in self-employment (72%) in agriculture (51%), services (37%) and industry (11%).[3] At the country level, employment rates are highest in Tanzania (79%), Burundi (78%) and Ethiopia (78%), but self-employment in rural agricultural work dominates. Djibouti (24%), Somalia (28%) and Sudan (38%) have the lowest employment rates. Among sectors, services make up the largest share of employment in Djibouti (93%), Somalia (56%) and Kenya (52%), while industrial employment is most prominent in Somalia (18%), Kenya (16%) and Sudan (15%). Poverty rates are highest in South Sudan (67%) and Burundi (62%) and lowest in Kenya (36%) and Djibouti (19%).[4]

Table 1: Overview of national employment context, by EHAGL country

Country Name	Employment to population ratio, 15+, total (%)	Agriculture, share (%)	Services, share (%)	Industry, share (%)	Self-employed, share (%)	Poverty rate (%)[5]
Burundi	78	85	12	3	85	62
Djibouti	24	1	93	6	53	19
Eritrea	74	64	27	9	72	-
Ethiopia	78	63	31	7	85	-
Kenya	70	33	52	16	61	36
Rwanda	51	56	30	14	64	52
Somalia	28	26	56	18	51	-
South Sudan	62	60	26	14	89	67
Sudan	38	40	45	15	60	-
Tanzania	79	66	26	8	86	45
Uganda	68	66	26	7	81	42
Average, EHAGL	59	51	38	11	72	46
Average, SSA	62	52	37	12	78	-

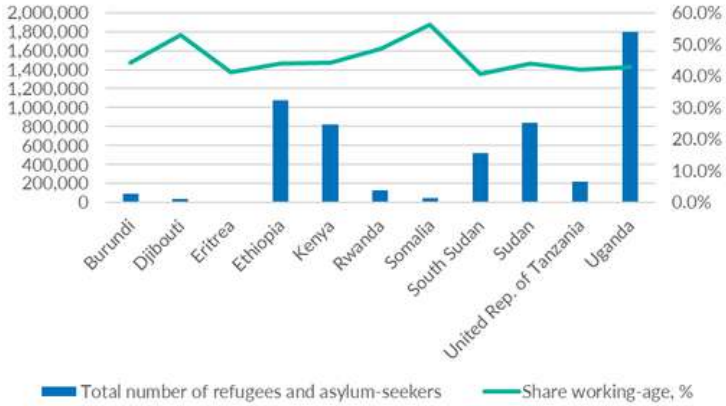
Source: World Bank (2022) (share above regional average in green, below regional average in red)

Yankurije Oliva, a teacher at GS Nyabicwamba in Rwanda. © UNHCR/Eric Didier Karinganire

WHAT DO WE KNOW ABOUT REFUGEES AND EMPLOYMENT?

Refugee populations in EHAGL tend to be young and less than half are working.[6] An internal UNHCR assessment found that just44% of refugees and asylum-seekers in the region are of working-age (18-59), with the youngest populations – and smallest share of working-age population – in South Sudan (40%), Tanzania (42%) and Uganda (43%). In contrast, the largest working-age groups are found in Somalia (56%), Djibouti (53%) and Rwanda (49%), where refugee populations are on average older and remain displaced longer.

Figure 2: Refugees and asylum-seekers in EHAGL, by country and working-age population share (2024)



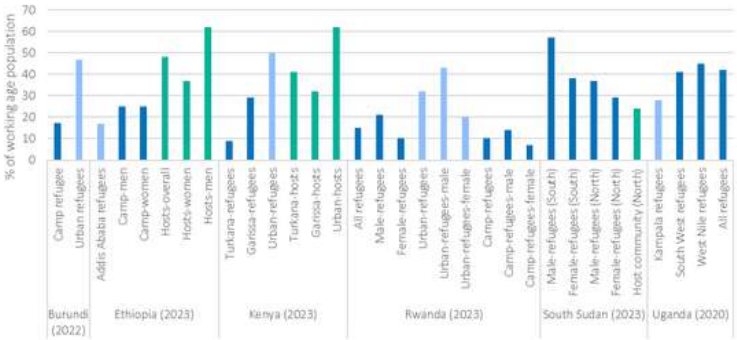
Source: Author calculation based on UNHCR Population Statistics (2024)

Recent efforts to expand the collection of comparable socioeconomic data to include forcibly displaced persons offer new insights for policy and programming. Until recently, little data existed on refugees' living conditions, employment and poverty. What was available was often not comparable to national statistics, limiting its contextual use. That has begun to change.

With support and collaboration from the World Bank-UNHCR Joint Data Center on Forced Displacement and national statistical offices, new surveys now capture comparable employment data of refugees, host communities, and national populations. This brief draws on that data.[7]

The findings are stark: fewer than half of working-age refugees are employed, with significant differences across population groups. In six countries with comparable data – Burundi, Ethiopia, Kenya, Rwanda, South Sudan, and Uganda – the average refugee employment rate is 34%, compared to 68% among national populations. This means that of the 3.87 million refugees in these countries, approximately 1.63 million are of working age – but only 558,000 are actively employed. Camp settings, country of origin, and gender all contribute to significant differences in employment outcomes.

Figure 3: Employment rate for refugees and host communities, by location and gender (last 7 days)



Source: Author calculation based on Burundi Socioeconomic Survey (2020), Djibouti (2021/21) High Frequency Phone Survey, Ethiopia (2024) Socioeconomic Survey of Refugees and Host communities in Ethiopia, Kenya (2023/24): Longitudinal Socioeconomic Survey of Refugees and Hosts, Uganda (2020) Refugee and Host Community Survey

Closing the gap between refugee employment rates and national averages would require creating around 588,000 new jobs – or doubling the number of jobs currently available to refugees. Refugees are employed at levels significantly below national averages. Increasing employment opportunities to allow them to work at the same level as national populations requires the creation of new jobs through sustained investment in infrastructure, markets, and training, alongside a gradual process of economic and financial inclusion. Education and access to healthcare services are also vital for preparing the next generation entering the labour market.

Country of asylum	Total population	Working-age population	Share of working-age**	At current employment rate	At national employment rate	Difference
Burundi	87,499	37,843	43%	7,947	29,567	-21,620
Ethiopia	962,229	399,502	42%	145,818	310,057	-164,239
Kenya	691,841	313,087	45%	106,450	217,887	-111,437
Rwanda	128,303	62,835	49%	9,425	32,345	-22,920
South Sudan	385,599	158,655	41%	39,664	98,661	-58,997
Uganda	1,615,155	654,108	40%	235,479	444,408	-208,929
EHAGL	3,870,626	1,626,030	42%	544,783	1,102,825	-558,042

Source: World Bank (2024), UNHCR staff calculation based on selected household surveys

Rehema, one of the beneficiaries of ICT courses working at the computer shop
© UNHCR/Winnie Itaeli Kweka

WHAT DO WE KNOW ABOUT THE IMPACTS OF REFUGEE EMPLOYMENT ON HOST COMMUNITY JOBS AND WELFARE?

New World Bank research from Ethiopia, Uganda, Jordan, and Colombia suggests that refugee presence has little to no effect on average employment outcomes for host communities – and in some cases, the impacts are positive.[8]

While some host workers face increased labour market competition, many others benefit from stronger demand. In Ethiopia and Uganda, a doubling of refugee populations led to a 3% rise in average host household consumption, signalling lower poverty, with minimal change in employment levels. In Uganda, subsistence and commercial farmers saw their consumption rise by 3% and 7% due to greater demand for food products.

The right to work and access to work permits improve refugees' protection, labour rights, and tax contributions without significantly increasing competition for jobs. Even where restrictions exist, many refugees find a way to work informally. In Ethiopia, despite restrictions, refugee labour force participation was 42% – below the 64% among hosts but substantial given the restrictions – and is expected to increase following the new right to work directive[9] launched last year.

Work permits allow refugees to look for formal jobs, offering new opportunities for income, without significantly adding to competition with host communities, and ensure that refugees are able to pay taxes and contribute to social protection systems. Evidence shows that the impacts of working permitting schemes on host community employment are limited.

Understanding local labour markets is critical to developing effective policies. According to the study, host communities are unlikely to face negative labour market effects overall, especially with support from the international community. Based on the particular local context, policies should focus on compensating those who are affected – through cash assistance in the short run, then to restore or improve job opportunities. At the same time, investing in infrastructure, facilitating access to finance, and fostering a business-friendly environment can help host communities and local businesses capitalize on new opportunities, particularly in agriculture.

WHAT EMPLOYMENT CHALLENGES DO REFUGEES FACE?

In some important ways, refugees and host communities face similar employment challenges. High unemployment and limited access to formal jobs – often driven by weak infrastructure, poverty, and barriers to education – are common to both population groups. But displacement brings additional constraints for refugees, from legal restrictions to social and psychological pressures.

Yet, limited freedom of movement and difficulty obtaining work permits hinder refugee participation in the formal economy. Administrative and practical restrictions, such as camp exit permits, recognition of refugee identification documents, access to financial services create additional barriers. Women face added barriers such as child-caring and household responsibilities, as well as restrictive gender norms. Mental health strain linked to displacement can also limit employment readiness.

Legal and administrative barriers also slow progress on refugee self-reliance and integration regionally. Few refugees can access formal wage-earning employment without practical restrictions and even in countries with legal provisions that allow refugees to work, practical application is often uneven. Many refugees have limited access to work permits, or challenges registering a business, restrictions registering a refugee lead organization (RLO) or joining a cooperative. Encouragingly, access to mobile money is becoming more widespread, and entrepreneurship support, including microloans, is increasingly available. Many countries allow refugees to enroll in technical training, though limited spots and access issues remain.

Table 3: Common legal and administrative barriers to refugees in the EHAGL region (% of refugees who access without any significant barriers)

Legal and administrative barriers	% without significant barriers
Formal wage-earning employment without practical restrictions	23
SIM card and personal connectivity services	36
Registration and operation of a business	37
Opening of mobile money account using ID	65
Entrepreneurship support	65
TVET programmes	94

Source: 2023 UNHCR Global Survey on Livelihoods and Economic Inclusion

Women face distinct barriers to labour market inclusion. Research from the African Development Bank's Investment Climate Programme – implemented by UNHCR, IGAD and EAC – shows that limited property rights restrict refugee, returnee, and host women's ability to access land for farming and housing. This in turn limits access to loans, as banks and microfinance institutes require collateral.

Lower literacy and education levels also reduce women's access to business skills training and digital tools. Additionally, lack of childcare and care responsibilities at home further limit women's ability to engage in economic activities. Gender norms and unequal power dynamics worsen existing challenges in business, such as accessing supplies, getting navigating goods certification processes, and facing inflated costs of doing business even in traditionally female-led sectors such as food catering, sanitary pad production and soap making.

As a result, refugee women have lower employment rates than men and are more likely to remain outside the labour force. In Kakuma, for example, only 7% of women are employed, compared to 14% of men. Marriage is significantly correlated with drops in labour force participation, employment rate, and earnings. In South Sudan, labour force participation among refugee men is higher than for women in the South (57% versus 38%) and North (37% versus 29 %) parts of the country. This is not the case for the host community, with barely any difference in labour force participation between men and women.

WHAT MAIN BARRIERS CAN BE REMOVED TO FOSTER ECONOMIC INCLUSION?

Refugee economic inclusion is a multifaceted process that requires addressing legal, social, and infrastructural barriers. From documentation and freedom of movement to education, work, and finance, each element plays a crucial role in helping refugees transition from aid dependency to self-reliance and enabling their contributions to host economies. This section examines the fundamental building blocks required for fostering economic integration and sustainable livelihoods among displaced populations.

► **Legal identify and documentation:** Registration of refugee status, access to, and recognition of, refugee ID cards as valid documentation, and awareness of rights are essential starting points for formal employment. Refugees need proper documentation that affirms their legal status and enables access to basic services, legal protection, and economic opportunities. Ideally, the documentation should be recognized by all state entities and central banks, including as a prerequisite for banking services.

► **Freedom of movement:** Removing barriers such as encampment policies or movement permits is necessary to enable mobility. Refugees need the freedom to move to pursue economic opportunities, work, and education. Movement beyond settlements, which often have a limited number of work opportunities, is essential to access wider markets and livelihoods.

► **Right to work and do business:** Work permits, business licenses, and driver's licenses are fundamental legal documents that enable formal employment. These rights enable refugees to work, start businesses, engage in the national economy and other activities that support their families.

► **Access to education and training:** Refugees require access to quality certified education at all levels, including secondary and tertiary, as well as recognition of prior skills and qualifications. Investment in human capital opens pathways to employment and entrepreneurship.

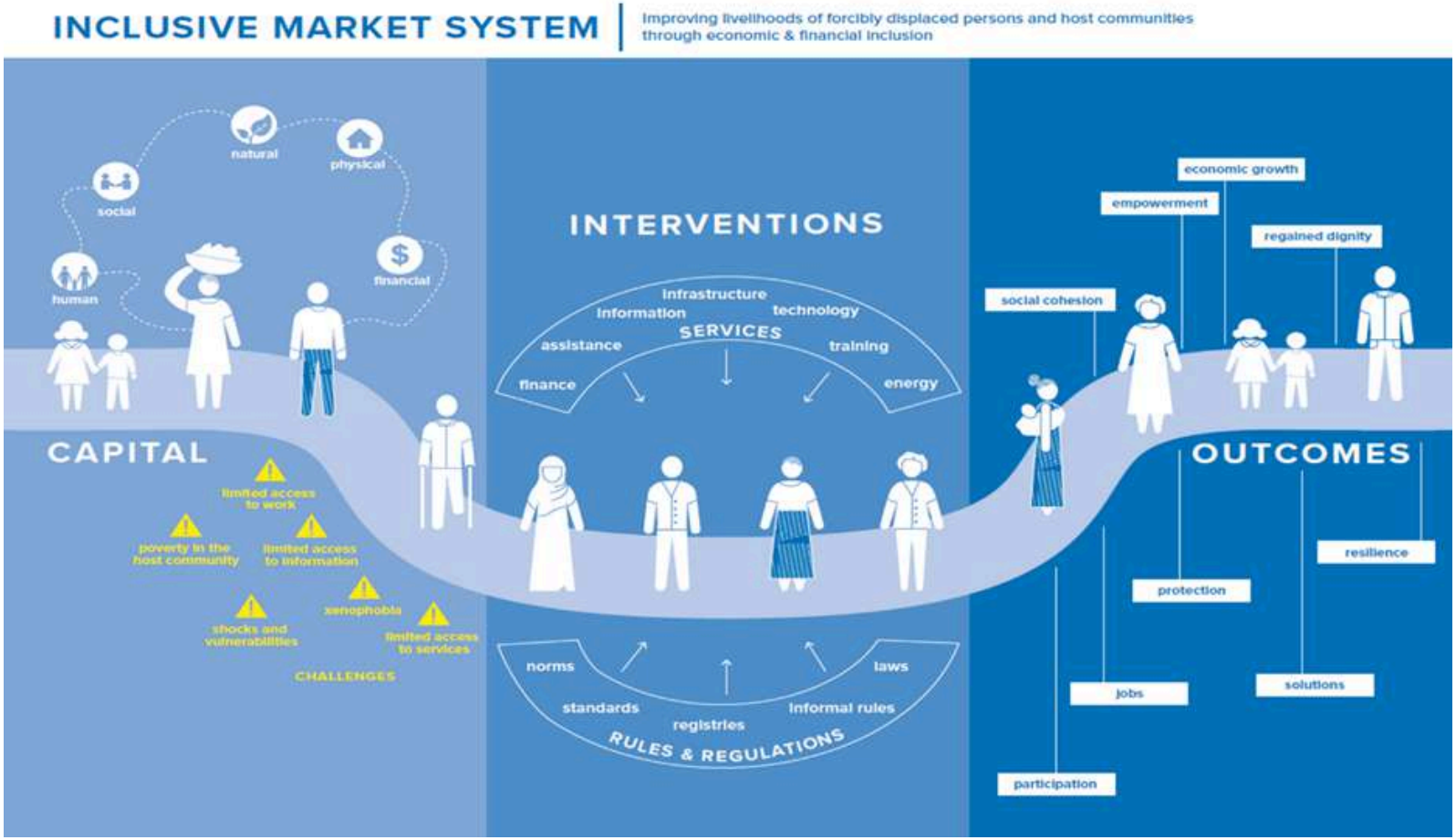
► **Enabling business environment:** Conducive business laws, property rights, and investor incentives are key to refugee economic participation and to enable private sector engagement in refugee hosting areas. Allowing refugees to start or invest in businesses and simplifying microenterprise registration can stimulate economic growth, especially in remote areas.

► **Quality local infrastructure:** Economic inclusion also depends on access to core infrastructure. Reliable transportation, energy, water, and ICT infrastructure are needed for businesses to operate and for refugees to reach markets and services. Quality infrastructure is also essential for attracting private sector partners sector into refugee-hosting areas thereby facilitating job creation for refugees.

► **ICT and financial inclusion:** Access to telecommunications, bank accounts, and loans is necessary for refugees to participate in today's economy. Digital and financial services enable refugees to conduct transactions, save securely and access credit, which are essential tools for entrepreneurship and income generation.

► **Housing, land, and property rights:** In many parts of the region, access to land is fundamental for agropastoral and other livelihoods providing for the majority of jobs and ensuring self-subsistence. Refugees need rights to use land and have land tenure security to farm, develop farming-based value chains, or use land as collateral for credit.

Achieving full economic inclusion requires these elements to come together to create an environment where refugees can contribute to and benefit from the economy. It entails not just access to jobs or education, but also the ability to lead self-sufficient, dignified lives in the host society with shared obligations towards national economies and social systems. Addressing each of these barriers through coordinated policy, investment and partnerships is central to sustainable programming and a market systems approach.



Source: UNHCR Livelihoods and Economic Inclusion

LEARNING FROM DOLLO ADO, ETHIOPIA

Infrastructure investments are vital in revitalizing refugee-hosting areas. Dollo Ado, a semi-arid, remote region in Ethiopia, has benefited from significant investments, including **€75 million from the IKEA Foundation** to build the local economy and support sustainable livelihood opportunities for both refugees and the host community. Conditions have improved, but challenges remain. The region's infrastructure constraints, such as limited access to transportation, water systems, and market facilities, hinder refugees and host communities from fully engaging in economic activities.

Research by Oxford University underscores the importance of infrastructure development in unlocking opportunities for refugees and hosts.[10] For instance:

- **Agriculture and livestock initiatives** are underutilized due to inadequate irrigation systems and market access. Only 4% of refugee households rely on agriculture as their main income source.
- **Stronger road networks** could enhance cross-border trade as Dollo Ado town operates as an economic hub that connects camps to Somalia.
- **Energy access and ICT infrastructure** could foster self-employment and entrepreneurial ventures among refugees, where self-employment currently stands at only 5%.

Investments in infrastructure, tailored to local needs, can reduce aid dependency and foster sustainable livelihoods by enabling refugees and hosts to actively participate in the regional economy. This aligns with broader strategies to include displaced populations into economic systems while benefiting host communities.

Beatrice still gets emotional when she thinks about the struggles she faced before she found tailoring and started attracting clients. © UNHCR/Charity Nzomo

WHY IS PRIVATE SECTOR ENGAGEMENT STILL LIMITED – AND HOW CAN THAT CHANGE?

The private sector is a key engine of growth and employment, but its engagement in forced displacement settings remains low. Increasing private sector investment in forced displacement settings will require removing regulatory barriers, building the capacity of companies, better matching refugee talent with private sector needs, establishing market linkages, and highlighting the business opportunities in working with refugees and host communities. Governments, humanitarian organizations, and businesses need to collaborate to unlock the potential for private sector engagement in this space.

Several factors explain the limited engagement to date in the EHAGL region:

► **Remote locations, uncertainty, and risks:** Refugee settlements are often in isolated border regions with poor infrastructure and limited market connectivity. Many businesses view these areas as high-risk due to political instability, legal uncertainties, and potential security issues in conflict zones or fragile states. Greater investment in local economic development programming through partnerships and joint planning can help transform refugee-hosting areas into integrated settlements that are viable economic zones.

► **Legal and regulatory barriers:** Refugees and displaced populations often face legal barriers such as restricted access to work permits, business licenses, or property rights. This limits their ability to participate in formal markets and makes it difficult for companies to hire refugees or work with them as part of their supply chains. Addressing them requires advocacy by UNHCR with national governments and regional economic communities, including through regional commitments like the Kampala Declaration on Jobs, Livelihood and Self Reliance[11] adopted by IGAD Member States.

► **Lack of awareness and understanding:** The private sector is often unaware of the economic potential of refugees as both employees and consumers. Studies such as Kakuma as a Marketplace by the International Finance Corporation (IFC) and the World Bank's Yes in My Backyard? challenge these perceptions by showing refugees' purchasing power and entrepreneurial activity.

Beatrice, a Congolese refugee, has been a tailor for eight years while living in Kigeme refugee camp.
© UNHCR/Lilly Carlisle

WHAT INITIATIVES ARE TACKLING REFUGEE EMPLOYMENT AT SCALE IN THE REGION?

Blqlimo Omer Osman, A refugee from Somalia living in Ethiopia is a solar technician. © UNHCR/Tiksa Negeri

► **Global Refugee Forum Pledges:** The Multistakeholder Pledge on Economic Inclusion and Social Protection aims to galvanize concrete commitments from a wide range of stakeholders to advance the self-reliance of forcibly displaced populations and hosting communities. It advocates for laws and policies that enhance economic inclusion; access to agricultural land; food security; local and remote employment and decent work; finance; entrepreneurship; training and lifelong learning; and inclusion into national social protection systems.

► **PROSPECTS:** Initiated by the Government of the Netherlands at the 2019 Global Refugee Forum, the PROSPECTS Partnership brings together UNHCR, ILO, UNICEF, IFC and the World Bank to create sustainable, long-term solutions to forced displacement in eight countries across the Middle East, North Africa, and the EHAGL region. Built on four main pillars – protection including social protection, education and learning, economic inclusion, and critical infrastructure – it has to date reached nearly 200,000 people with livelihood support through business training, financial services, and private sector engagement. A key achievement is a $20 million risk-sharing facility in Kenya, launched in October 2024 with IFC and Equity Bank. As the first of its kind, the initiative improves access to finance for small businesses in underserved refugee-hosting areas like Turkana and Garissa. IFC covers 50% of the risk, while PROSPECTS contributes $4 million, catalyzing greater investment in refugee economies.

► **World Bank:** The World Bank International Development Association Window for Host Communities and Refugees (WHR) has provided funding for more than 50 projects across seven countries – Burundi, Djibouti, Ethiopia, Kenya, Rwanda, South Sudan, and Uganda – including projects focused on jobs, infrastructure and agriculture implemented by governments.

- In Ethiopia, the Urban Productive Safety Net and Jobs Project (2020-2027) seeks to improve incomes of the urban poor and the labour market inclusion of disadvantaged urban youth, including through a paid public works component targeting 34,020 refugee beneficiaries by 2025, providing business development training and livelihood grants.

- The Ethiopia Economic Opportunities Program (2018-2025) provides support to Ethiopia's Jobs Compact Program to promote economic opportunities for Ethiopians and refugees through improved refugee protection, investment climate, productivity, and quality of jobs. To date, it has succeeded in expanding increasing the presence and capacity of Ethiopian government institutions in or near 50% of refugee settlements (against a target of 80%) and economic opportunities to 17,054 refugees (against a target of 30,000) so that refugees can access public services and economic opportunities on par with host communities. Additional World Bank host community and refugee projects focus on digital identification and infrastructure.
- In Burundi, the ongoing Cash for Jobs Project (2022-2027) is piloting a safety net programme and productive inclusion support for nearly 8,000 refugee households.

► **FAO-UNHCR Regional Programme:** As part of the GRF Multistakeholder Pledge on Agriculture, Food Systems, and Food Security, this joint programme equips refugees with skills and assets to enter commercial agricultural value chains beyond subsistence farming. By linking refugees to markets and the private sector, the programme strengthens their inclusion in both in-farm and off-farm activities (e.g., food processing and value addition, transport, distribution, and storage), fostering their long-term self-reliance through sustainable livelihoods and supporting durable solutions for forced displacement in the EHAGL region.

► **Mastercard Foundation Partnership:** In 2024, the Mastercard Foundation launched a $25 million, three-year partnership with UNHCR to support education, vocational training, and economic inclusion for displaced Sudanese, with a focus on women and girls. With nearly 5.8 million women and girls internally displaced in Sudan and more living as refugees across the region, removing barriers to education and livelihoods is crucial. The Mastercard Foundation also works to develop policy environments that enable long-term solutions for refugee employment, ensuring meaningful opportunities for those forcibly displaced.

Through both programmatic support and policy engagement, the partnership has already made significant progress in promoting economic inclusion across several countries affected by the Sudan crisis. Key achievements include:

- **Training and empowerment:** Over 13,600 youth trained in entrepreneurship, financial literacy, and climate-smart agriculture across Sudan, Ethiopia, South Sudan, and Uganda. Participants also received startup kits, boosting self-employment and food security.

- **Access to financial services:**
  - In **Sudan**, 425 refugee households accessed microcredit **through Village Savings and Loan Associations (VSLAs)** triggering business growth in the area.
  - In **Rwanda**, refugees were supported through **Savings and Internal Lending Communities (SILC)** groups under the Graduation Programme, connecting them to formal financial institutions and promoting long-term financial stability.
  - In **Uganda**, Mastercard Foundation support facilitated the **translation and recognition of academic and professional documents**, enabling access to employment and financial services. Additionally, 450 Sudanese refugees were supported in opening bank accounts.
- **Strengthening of local ecosystems:** In Rwanda and South Sudan, Graduation approaches, English language training, and support for **refugee-led businesses** contributed to longer-term resilience, while public-private partnerships like those with **Equity Bank** in South Sudan helped catalyze market access.

Building on existing engagement and investments by partners such as **IKEA Foundation, private sector, and PROSPECTS** was vital. These complementary efforts ensured that Mastercard Foundation investments were leveraged to drive broader systems change, enhancing sustainability and scale.

► **INKOMOKO** supporting businesses: Operating in five countries, INKOMOKO has helped over 100,000 refugee and host entrepreneurs (60% women, 50% youth) build resilient, job-creating businesses through training, advisory support, and capital. With a 96% investment repayment rate, INKOMOKO demonstrates the viability of market-based solutions in displaced communities, from launching South Sudan's first refugee bank account to piloting micro-insurance in Dadaab. Backed by the Mastercard Foundation, the Audacious Project and IKEA Foundation, INKOMOKO's Vision 2030 aims to invest $150 million and support more than 7.6 million people to move to economic self-sufficiency, proving that refugees can drive local economic growth.

WHAT ELSE DOES THE EVIDENCE SHOW ABOUT WHAT WORKS?

► **Mental health: New research unravels the link between employment and mental health among displaced populations**. In five refugee-hosting countries, refugees have, on average, worse mental health outcomes than host community members, with depression levels higher among the unemployed than the employed. In Uganda, for example, unemployed refugees experience mental health outcomes 1.7 times worse than their employed peers. In South Sudan, unemployed refugees are 4 percentage points more likely to be distressed than those with jobs. These findings suggest that integrating mental health support into livelihoods programmes can significantly improve both wellbeing and economic engagement A holistic approach that helps refugees – especially women – regain self-confidence is also essential for meaningful socioeconomic inclusion.

► **Financial inclusion: A major challenge for financial service providers is the limited knowledge about refugee socioeconomic conditions. An innovative blended finance programme** in Uganda – launched in 2019 by the Swedish International Development Cooperation Agency, UNHCR and Grameen Crédit Agricole Foundation – provides valuable new insights. Combining public and private capital, the programme expands access to financial services for refugees and has achieved strong repayment rates, even amid COVID-19 and food ration cuts, indicating that refugees are reliable borrowers. The portfolio at risk over 30 days (PAR 30) ranged from 11% during challenging times to as low as 3%, with refugee clients sometimes outperforming host communities. The vast majority of beneficiaries acknowledged that the knowledge and skills acquired during the training contributed to the growth of their businesses.

Recent data from Kiva, a global microfinance platform, reports similar trends, that refugees maintain high loan repayment rates:

- **2016–2022 data: Over this period, Kiva's global refugee clients achieved an average repayment rate of 97.2%, identical to the rate for non-refugee clients.**
- **Loan size increase: Between 2016 and 2022, the average global loan size for refugee borrowers increased by 71% (from $682.90 to $1,168.17), without negatively impacting repayment rates.**
- **Data on client behavior, needs and aspirations is essential for designing inclusive products. Incentives that are conducive to the development of local markets – like funding bank branches in refugee settlements, developing digital financial products, and training staff to understand refugees' unique challenges – outperformed loan guarantees and led to greater uptake of existing products.**

24-year-old Burundian refugee in Kalobeyei, runs 2 businesses a salon and a shop. © UNHCR/Eric Bakuli

► **Graduation model: Developed by BRAC, the Graduation Approach has achieved impressive results by combining social protection and sequenced development assistance to help extremely poor refugees and host communities graduate from extreme poverty and become self-reliant.** UNHCR, the World Bank Partnership on Economic Inclusion and 16 NGOs, including BRAC, have formed the Poverty Alleviation Coalition (PAC) to expand this model. There are emerging good practices from PAC members on measuring self-reliance, building climate resilience, mainstreaming gender equality, mitigating gender-based violence (GBV) risks, and linking graduation programmes with national social protection systems. There is growing evidence on the efficacy of graduation programs, supported by various impact evaluations.

These evaluations show significant positive outcomes, including increased income, improved food security, enhanced psychological well-being, and greater self-reliance among participants. In Uganda, the USAID-funded Graduating to Resilience project achieved significant positive impacts for 6,600 host and refugee households in Kamwenge District, with households seeing improvements in food security, nutrition, and self-reliance. A detailed impact evaluation compares outcomes for households receiving individual coaching and group coaching, with and without asset transfer.

Total household income increased by between 32% (among households receiving all interventions except asset transfer) and 45% (for those receiving individual coaching) on average relative to the comparison group mean. Researchers found large positive returns on investment for all programme variations under most scenarios, with the group coaching programme achieving comparable results at 13% lower cost.

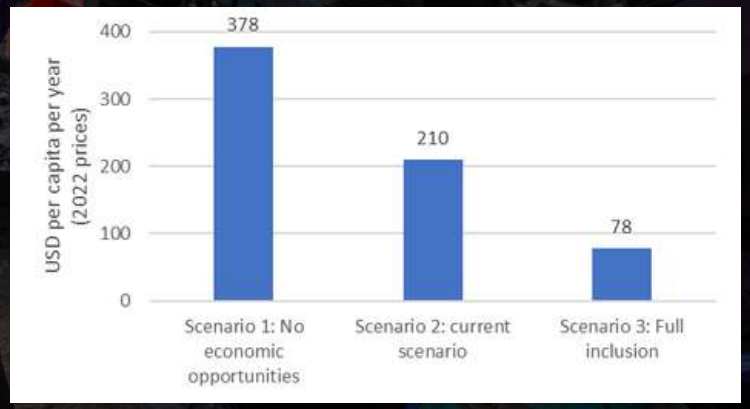
Atto Jackline is a primary two Math teacher at Arnold primary school. © UNHCR/Yonna Tukundane.

Members of the Briquettes cooperative in Ethiopia are preparing briquettes that are used for cooking. © UNHCR/Yonna Tukundane

ALLOWING FREEDOM OF MOVEMENT AND ACCESS TO LABOUR MARKETS REDUCES THE NEED FOR ASSISTANCE

In Ethiopia, a collaboration between the **World Bank and the Ethiopia Statistical Service** underscores the importance of work and freedom of movement for improving self-reliance. Despite restrictions, many refugees work outside of camps – and those who do see their opportunities and earnings increase considerably. This result in an "economic-inclusion dividend": the estimated cost of assistance needed for each refugee falls from $210 today to $78 per year under a "full inclusion" scenario, where refugees in camps have equal opportunities to move and work at the same level as hosts. Similar results are found for refugees in Chad, where annual assistance needs could fall from around $252 million per year to $89 million if refugees were allowed to fully participate economically.

Figure 2: Refugees and asylum-seekers in EHAGL, by country and working-age population share (2024)



Source: World Bank Staff based on SESRE 2023 (costs in December 2022 prices)

Oliver, a member of the Shona community weaving baskets for sale at her home.
© UNHCR/Charity Nzomo

GOING FORWARD, HOW CAN UNHCR, GOVERNMENTS AND PARTNERS UNLOCK MEANINGFUL WORK AND OPPORTUNITY FOR REFUGEES?

Advancing refugee economic inclusion means investing in job creation, skills development, and supportive legal frameworks that benefit both refugees and host communities. Achieving this requires the active involvement of governments, development actors, financial service providers, and – critically – the private sector. Refugees and forcibly displaced persons must remain at the center of these efforts. Progress also depends on robust data. Partnerships should be guided by socioeconomic and market assessments, alongside legal and institutional analyses, to shape policies and investments that create real opportunities for refugees and host communities. These are the building blocks of sustainable responses.

Further research is needed to close evidence gaps and identify the interventions that work for different displacement groups. Internally displaced people (IDPs), refugees and returnees and face distinct challenges, vulnerabilities, and opportunities in accessing employment. Expanding research to include these groups is essential for designing inclusive, effective strategies that advance socioeconomic inclusion across the region.

ANNEX: RECENT DATA AND EVIDENCE FROM EHAGL COUNTRIES

Country	Survey/Census	Reports
Burundi	Socioeconomic Survey (World Bank-UNHCR, 2020)	Report SES (2020)
Djibouti	High Frequency Covid Phone Survey (World Bank-INSD-JDC, 2021)	Report COVID (2021)
Ethiopia	Ethiopia Skills Survey (World Bank, 2017)	Report Skills (2017)
	High Frequency Covid Phone Survey (World Bank-INSD-JDC, 2020)	Report COVID (2020, round 1) Report COVID (2020, round 2)
	Socioeconomic Survey of Refugees in Ethiopia (World Bank-ESS, 2023)	Report (2023)
Kenya	Socioeconomic Surveys (World Bank-UNHCR, Kalobeyei-Kakuma-Urban-Shona, 2019-22)	Report Kalobeyei (2018) Report Kakuma (2019)
	High Frequency Covid Phone Survey (World Bank-UNHCR, 2020-22)	Report COVID (2020-22)
	Longitudinal Study of Refugees and Host Communities (World Bank-UNHCR, 2024)	Report KLSR (2024)
Rwanda	Fifth Population and Housing Census (NISR, 2022)	Report Refugees (2022)
	Rwanda Finscope 2024 (NISR-AFR, 2024)	Report (2024) Refugee Brief (2025)
Somalia	Somalia Displacement Phone Survey (World Bank-UNHCR, 2023)	Report Poverty (2019)
South Sudan	Forced Displacement Survey (UNHCR, 2023)	Report (2024)
Uganda	Refugee and Host Community Survey (World Bank-UBOS, 2018)	Report (2018)
	High Frequency Covid Phone Survey (World Bank-UBOS-UNHCR, 2021)	Report COVID (2020, round 1) Report COVID (2020, round 2)
	Uganda Demographic Health Survey (UBOS, 2022)	Report UDHS (2022)
	Uganda National Population and Housing Census 2024 (UBOS, 2024)	Report Census (2024, preliminary)

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For more information see the resources below:

- ► UNHCR Livelihoods and Economic Inclusion Webpage
- ► UNHCR 2023 Global survey on livelihoods and economic inclusion report
- ► Global roadmap for refugee entrepreneurship
- ► UNHCR centralized evaluation of livelihoods strategies and approaches