UNHCR
The UN Refugee Agency

STRATEGY FOR LIVELIHOODS AND ECONOMIC INCLUSION

SOMALIA

2025 – 2027

The Global Compact on Refugees calls on the international community to "foster inclusive economic growth for host communities and refugees, in support of host countries and subject to their relevant national laws and policies, States and relevant Stakeholders will contribute resources and expertise to promote economic opportunities, decent work, job creation and entrepreneurship programmes for host community members and refugees, including women, young adults, older persons and persons with disabilities."

ACRONYMS	
BMZ	German Federal Ministry for Economic Cooperation and Development
CRRF	Comprehensive Refugees Response Framework
FAO	Food and Agriculture Organization
FDPs	Forcibly Displaced Populations
FGS	Federal Government of Somalia
GCR	Global Compact on Refugees
GDP	Gross Domestic Product
IDPs	Internally Displaced Persons
ILO	International Labour Organization
JUCRI	Jubaland Commission for Refugees and IDPs
LIS	Livelihoods Information System
MoEWR	Ministry of Energy and Water Resources
MERS	Minimum Economic Recovery Standards
MoEWR	Ministry of Energy and Water Resources
MoIFAR	Ministry of Interior Federal Affairs and Reconciliation
MoIFAD	Ministry of Interior, Federal Affairs and Democratization
MoLSA	Ministry of Labor and Social Affairs
MoPIED	Ministry of Planning, Investments and Economic Development
NCRI	National Commission for Refugees and IDPs
NDRA	National Displacement and Refugee Agency
NPD	National Development Plan
NTP	National Transformation Plan
PSN	Persons with Specific Needs
SDG	Sustainable Development Goals
SIHBS	Somalia Integrated Household Budget Survey
SNBS	Somalia National Bureau of Statistics
SNDP	Somalia National Development Plan
SWSCRI	South-West State Commission for Refugees and IDPs
TVET	Technical and Vocational Education and Training
UNCT	United Nations Country Team
UNDP	United Nations Development Programme
UNIDO	United Nations Industrial Development Organization
UNSDCF	United Nations Sustainable Development Cooperation Framework
WB	World Bank
WFP	World Food Programme

1. BACKGROUND AND SITUATIONAL ANALYSIS

1.1. Country socio-economic context

Somalia, on the Horn of Africa, is a low-income country in Africa, characterized by rapid urbanization, high rates of poverty (67 per cent of Somalis live on less than US$1.90 per day in 2025), and low levels of human development, with 41 percent of adults being literate. According to the 2025 Government of Somalia and the UN Population Estimation Survey, Somalia's population in 2025 was 19.6 million. Somalia has a predominantly young population, with over 80 percent estimated to be under the age of 35, enduring an unemployment rate of approximately 70 percent.[1] Furthermore, forcibly displaced populations (FDP) and host communities have an almost identical demographic structure. Both FDP and host communities for instance, are overwhelmingly young and slightly skew toward male.

The climate is mainly dry and hot, with landscapes of thorn-bush savanna and semidesert; the inhabitants of Somalia have developed equally demanding economic survival strategies. It is estimated that almost half of the Somali people follow a mobile way of life, pursuing nomadic pastoralism or agro-pastoralism. Somalia is also rapidly urbanizing with 48 percent of the population residing urban areas between 2017 and 2025, including Mogadishu which alone accounts for 14 percent. Despite Somalia's rapid urbanization, Somalia's economy has remained largely agro-pastoral (75% of GDP). The sector accounts for over 80% of the labor force, translating into high vulnerability to climate-related shocks and events. The quality of basic social services suffers due to human and financial resource constraints, while physical and financial barriers limit access to existent services.

Despite some slow economic recovery, Somalia has experienced major setbacks resulting decline of remittance flows and remains one of the poorest countries in the world. Multiple concurrent crises, including flooding, droughts and inflation – have also disrupted Somalia's economic recovery trajectory. An increase in urgent food assistance, coupled with climate and conflict, and exacerbated by weak national infrastructure, has created an overwhelming burden on food security and livelihoods.

1.2. Country displacement and humanitarian context

Somalia remains one of the most complex and protracted humanitarian crises in the world. Recurrent droughts and floods, political instability within and in neighboring countries, and violent conflicts are among the factors exacerbating the humanitarian situation and drives to mass displacement of populations.

The country traditionally has an open-door policy towards refugees. As of June 2025, Somalia hosted 44,564 refugees and asylum seekers - approximately, 55 percent are male, while 45 percent are female. Refugee and asylum seekers movements have mainly been driven by the prevailing political environment and armed conflicts in Ethiopia, Yemen and Syria. For refugees and asylum seekers groups, Somalia adopted the out-of-camp approach and majority of refugees and asylum seekers live in urban and semi-urban settlements across Somalia (mainly in Bossaso, Hargeisa, Mogadishu, Garowe, Burao, Berbera, and Galkayo) located in Puntland, Somaliland and Banadir region.

[1] Source: Ministry of Planning, Investments and Economic Development: Somalia National Durable Solutions Strategy 2020 - 2024

Demographic Distribution of Forcibly Displaced and Stateless Persons (FDSPs) in Somalia

Internally Displaced Persons	Assisted Refugee Returnees	Refugees and Asylum Seekers
3,500,000	140,956	44,564

While the protection environment for Yemenis and other Middle Eastern nationalities remains comparatively more favorable due to shared religious practices and cultural similarities with host communities, which facilitate smoother integration and access to services, others especially Ethiopian and Eritrean refugees face challenges in terms of language barriers, literacy levels, and socio-economic integration. This may be in part due to often higher levels of education amongst the Yemenis, historic conflicts between Ethiopia and Somalia, ethnic tensions between Ethiopian Oromos and ethnic Somalis as well as the perception that Ethiopian refugees came for economic reasons instead of seeking asylum. The status and treatment of refugees in Somalia is governed under different laws or structures depending on location in the country.

While refugees and asylum seekers benefit from free movement and are able obtain business licenses in Somalia, they are still disadvantaged because of legal restrictions on their right to work, which prohibits them from taking up most forms of formal employment. These legal restrictions together with the cultural norms and clannism are also factors that deepen the consequences of exclusion and limit their livelihood opportunities and meant that they were highly dependent on humanitarian assistance.

The United Nations High Commissioner for Refugees (UNHCR) works closely with the National Commission for Refugees and Internally Displaced Persons (NCRI), to coordinate the delivery of protection and assistance for refugees in Somalia. Recent changes to refugee policy mean that Somalia now has started to improve its legal framework regarding the refugee's rights to work. The Federal Refugees and Asylum Seekers Act[2] introduces several provisions that will expand the potential for refugees to become self-reliant and build their livelihoods alongside host communities across Somalia.

Somalia has also seen an increasing number of internally displaced people, the majority of which are in protracted situations. As of June 2025, Somalia has 3.5 million IDPs. The drivers of internal displacement are complex, multiple and overlapping, but are mainly related to armed conflict and climate-related events such as drought. A combination of rapid urban expansion, conflict over land and resources, and high levels of vulnerability to ongoing drought and seasonal floods, triggers many thousands of new displacements every year. Approximately, 798,000 Somalis live in protracted displacement outside Somalia, most of them in Ethiopia, Kenya and Yemen.[3] Since December 2014, an estimated 140,956 Somali refugees have returned to Somalia.

Forcibly displaced persons and stateless in Somalia continue to face increased marginalization and vulnerability. Poverty rates among such vulnerable groups remain high and socio-economic outcomes are substantially low. An increasing number of vulnerable groups are living in precarious conditions, lacking access to basic services (food, water, sanitation), isolated from livelihood opportunities, and are vulnerable to forced evictions or homelessness.

The World Bank's findings from wave 2 of the Somali High Frequency Survey[4] highlighted a significant reduction in IDPs' employment rate following their displacement and in their average monthly income. Frequently, IDPs find temporary manual work, washing clothes and cleaning houses for the host community or collecting garbage. Some children support their families instead of going to school and others have resorted to begging. Economic opportunities were reported to be more diverse for the host community as compared to IDPs. The need to find sustainable solutions for the longstanding challenge of forced displacement is therefore a key priority for the FGS as laid out in the country's National Durable Solutions Strategy (2020-2024) and the National Transformation Plan (2025-2029).

1.3. Legal and policy framework

Somalia is a State Party, without reservations, to the 1951 Refugee Convention and the 1967 Protocol as well as the 1969 Convention Governing the Specific Aspects of Refugee Problems in Africa (OAU Convention).

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[2] https://acrobat.adobe.com/id/urn:aaid:sc:EU:e6854e0d-9f78-493e-9cba-f208bc44751d

[3] UNHCR (2025), Horn of Africa Situation https://data2.unhcr.org/en/situations/horn

[4] https://documents.worldbank.org/en/publication/documents-reports/documentdetail/464241565765065128/findings-from-wave-2-of-the- somali-high-frequency-survey

The Comprehensive Refugee Response Framework (CRRF)

Adopted by all 193 Member States of the United Nations in September 2016, the New York Declaration on Refugees and Migrants is a set of commitments to enhance the protection of refugees and migrants, a milestone for global solidarity and refugee protection at a time of unprecedented displacement across the world. The New York Declaration lays out a vision for a more predictable and more comprehensive response to these crises, known as the Comprehensive Refugee Response Framework (CRRF). Somalia is one of the countries that adopted the CRRF in East and Horn of Africa and Great Lakes countries.

The second objective of the CRRF is to build the self-reliance of refugees. Underpinning this objective is the desired outcome, reflected in the Global Dashboard, that "Refugees have increased access to and opportunities for economic and social inclusion". The CRRF assumes that support for greater inclusion and improved outcomes in refugee hosting countries is built on permissive legislation and policy from host governments. CRRF has facilitated a new regional commitment to Somalia and commitment to incorporating returnees into planning**.**

The Global Compact on Refugees (GCR)

Implementation of the GCR in Somalia is rooted in the regional process led by the Intergovernmental Authority on Development (IGAD) and the Nairobi Declaration on Durable Solutions adopted on 25 March 2017 by the seven IGAD Member States - Djibouti, Ethiopia, Kenya, Somalia, South Sudan, Sudan and Uganda. The Nairobi Declaration and its accompanying Plan of Action proposes a comprehensive regional approach to find and deliver durable solutions for Somali refugees and to create an enabling environment for the reintegration of Somalis when they return home.

Following its commitment in the Nairobi Declaration, the Federal Government of Somalia has developed additional legislation to strengthen the implementation of GCR/CRRF. These include the National Policy on Refugee-Returnees and IDPs, the Interim Protocol on Land Distribution for Housing to Eligible Refugee-Returnees and IDPs, and the Federal Refugees and Asylum Seekers Law which was enacted in March 2024.

In line with one of the core premises of the GCR, the Federal Government of Somalia, the UN Country Team and key stakeholders have strengthened their collaboration and partnership through pillar working groups, which further have been replaced by the National Durable Solutions Secretariat, launched in October 2019 to act as a coordinator for all durable solutions initiatives in 2020 and beyond.

The stakeholder's collaboration and partnership resulted in:

- The inclusion of refugees, returnees and IDPs in public services has been a key consideration in the development of government policies, including in the National Development Plan and supportive legislations. Through these, all refugee children benefit from education programmes across the country and in federal member states where the primary healthcare initiative is being implemented, all population groups access health services in the local communities.
- Progressive policies in some of Somalia's states (e.g. the Puntland Refugee Protection Law of 2017) have enabled refugees' access to the labour markets and have contributed to successful integration of refugees and asylum-seekers in the host communities.

- The UN Country Team continues to support the Federal Government of Somalia in working towards the attainment of durable solutions for refugees, asylum-seekers, returnees and IDPs, working in close partnership with international and national actors.
- In line with the GCR and recognizing the Federal Government of Somalia's pledge at the GRF in 2019, UNHCR will continue to support and advocate for the economic inclusion for forcibly displaced populations in job creation as well as economic empowerment and social protection safety net programs by government as well as humanitarian and development actors.

The Federal Government of Somalia's pledges at the Global Refugee Forum (GRF):

1. **Legal framework:** Enhance the protection and inclusion of refugees and IDPs through legal frameworks that are consistent with national and international regulations and best practices.
2. **Inclusion implementation of climate action plans and policies:** Integrate displacement issues into the government policies and climate actions at all levels, from national to the state level and municipalities including national adaptation plans, nationally determined contributions, disaster risk reduction strategies, early warning systems and early action protocol for anticipatory action.
3. **Climate resilience and empowerment:** Enhance the resilience, nature-based solution, and adaptive capacity of displaced and host communities specially women and girls who are disproportionately affected by climate change and displacement.
4. **Data:** Enhance capacity and effectiveness of assistance delivery through data-driven decision making and to build the evidence based inclusive climate action.
5. **Reintegration and peacebuilding:** Strengthen the social cohesion, resilience, and self-reliance of both the displaced and local populations.
6. **Disaster risk reduction:** Reduce disaster risk and strengthen preparedness in the country and include concrete provisions for displaced people.

Kampala Declaration on Jobs, Livelihoods, and Self-Reliance for Refugees, Returnees, and Host Communities

Signed in March 2019 by IGAD member states, contains commitments which are an important part of realizing the Global Compact for Refugees' objectives in the IGAD region.The Declaration holds real potential for realizing Compact objectives globally and builds on the 2017 Nairobi Declaration on Durable Solutions for Somali Refugees. One key element of the declaration is the need for robust support through predictable investments that create local economic opportunities and presuppose a new relation between refugees and development agendas.

National Transformation Plan (2025- 2029)

The National Transformation Plan (NTP) is organized around four key pillars which are: Pillar 1: Transformational Governance, Pillar 2: Sustainable Economic Transformation, Pillar 3: Social and Human Capital Transformation, Pillar 4: Environment and Climate Resilience, expressly prioritizing interventions for Somalia's most vulnerable groups, including women, youth and IDPs. The plan aims at creating more resilient traditional livelihood and food security production systems; fostering a policy and regulatory environment that is more accessible and attractive to investors and small businesses; promoting a diversified and future-fit economy; and reducing unemployment.

National Solutions Pathways Action Plan (2024-2029)

The Inter-Ministerial National Durable Solutions Secretariat was created in October 2019 under the Ministry of Planning, Investment and Economic Development, leading the development of the Somalia National Durable Solutions Strategy (NDSS) and National Solutions Pathways Action Plan in line with the Global Compact on Refugee's (GCR) "whole- of-government" approach. One of the objectives of the Solutions Pathways Action Plan, which is aligned to the NDSS is to foster sustainable solutions for displacement affected communities (IDPs, Returnees) through improved access to sustainable livelihoods and employment opportunities, and building resilience to recurrent displacement.

1.4 Coordination and Partnership

UNHCR – in close cooperation with the Federal Government of Somalia represented by key line ministries, namely MOI, MoLSA, the National Durable Solutions Secretariat and the National Commission for Refugees and IDPs (NCRI) – will lead the implementation of the livelihoods strategy to achieve sustainable livelihoods that build reliance and resilience among refugees, IDPs, returnees and host communities.

Some livelihood's challenges relate, for example, to skills and livelihood choices, land tenure, access to finance and markets, access and control of natural resources and participation in decision-making forums; these cannot be addressed without proper coordination among key central government actors. UNHCR will engage with key economic ministries at federal and state government levels, including the Ministries of Planning, Investment and Economic Development; Commerce and Industry; and Finance, Labour and Social Affairs, in addition to key productive sector ministries, including the Ministries of Agriculture and Irrigation; Livestock, Forestry and Range; and Fisheries and Marine Resources. Close cooperation will also be required with the National Commission for Refugees and IDPs (NCRI) and its similar government entities at regional level (JUCRI, SWSCRI, MoIFAD, GCRI, NDRA) to sensitize government entities, private sectors and other stakeholders regarding the socioeconomic rights of refugees and asylum seekers.

The UN agencies, international and national development partners, civil society, research and academia, the media and the legislature are all vital stakeholders in supporting implementation. To ensure harmonization and complementarity, UNHCR will share regular implementation updates with the NDSS, Development Partners Group and sub-groups of the development sector working groups with a humanitarian coordination focus, including UNCT economic working group, UN food security cluster, Livelihoods Sector Working Group and the Energy and Environment Technical Working Group.

Building on coordination and collaboration in the UN system and global MOU's, UNHCR will ensure effective linkages with complementary work by other UN agencies (FAO, ILO, WFP) through intentional project design and referral mechanisms to achieve One UN. In close partnership with FAO, UNHCR will explore new joint actions opportunities, to ensure inclusion of persons of concern into agricultural and fisheries value chains and natural resource management programs. UNHCR's strategic engagement with ILO on skills and titles recognition will be pivotal.

To operationalize the strategy, UNHCR, in consultation with the key stakeholders, including the Poverty Alleviation Coalition (PAC), international NGOs such as GiZ and Finn Church Aid, national NGOs and the private sector will identify the most appropriate partnerships and modalities to

implement particular programme activities. UNHCR's roles will essentially be coordination, facilitate resource mobilization, and technical backstopping. UNHCR will also seek to develop and strengthen partnerships with key non-governmental and private sector entities, notably business representative organizations – including the national and regional chambers of commerce and industry and farmers associations and cooperatives.

1.5 Challenges and opportunities to Livelihoods and Economic Inclusion

Majority of forcibly displaced persons in Somalia move to cities because of a range of opportunities and amenities these locations offer, such as more diversified employment possibilities in both formal and informal sectors, more accessible markets and better developed infrastructure that in isolated rural areas or camps/settlements, and in the principle a greater range of services available such as financial services, telephone network and communication, transport and training opportunities.

However, most poor and vulnerable groups face a range of constraints when trying to make a living in rural and urban locations:

- **Legal environment**: The legal and policies environment at national and Member States level place degrees of restrictions on right to work for refugees and are formally excluded from the Labor markets. Refugees and asylum seekers like all foreigners need work permit, which is difficult to obtain in their situation, as they are required to meet the requirements, such as required documents and costs.
- **Limited access to capital and finance:** Although refugees and other FDP are able to own a business, access to sustainable income generating activities is severely limited. They have limited access to financial service such as loans; due to the lack of guaranty or collaterals such as land or property, financial institutions, despite contrary evidence, perceive that lending to people in displacement situation is risky.
- **Gender and social disparities:** Refugees and other FDP encounter significant gender and social disparities that exacerbate their vulnerabilities and limit their ability to engage in meaningful livelihood activities. These disparities affect different groups— including women, youth, and persons with disabilities—uniquely, creating unequal opportunities for economic and social inclusion. Women refugees and IDPs face numerous barriers to participating in economic activities. Cultural norms often restrict their roles to caregiving and domestic responsibilities, leaving them with limited time and freedom to engage in income-generating activities. Many women reported being excluded from key training programs and having difficulty accessing financial resources, such as loans, needed to start businesses or cooperatives. Limited livelihood opportunities and inflation have had dramatic consequences on women and girls, heightening the risks of intimate partner violence, sexual exploitation, and resorting to harmful coping mechanisms. Youth in particular experience high unemployment rates, with few able to access skill-specific training for current labor market demands, thus leaving them frustrated, dependent on external assistance, susceptible to irregular onward movement and at risk of trafficking.
- **Protection risks related to the informal sector**: Due to legal restriction and lack of adequate skills or of other livelihood assets, most of FDP find the informal sector as the only option to generate income, mostly through daily labouring jobs. Key protection risks related to informal work are lack of health and safety regulations, lack of social security, low salary and limited saving to cope with shocks, unstable and sometimes dangerous jobs. In some cases, refugees

or other FDP see no other option than sending their children into the child labour markets to support the household.

- **Lack of appropriate assets for sustainable and predictable income**: The initial livelihood assets that forcibly displaced persons can rely on are mainly their skills and related certification, financial capital, and social networks. However, in challenging context of new environment, these assets are often insufficient or irrelevant as majority of FDP live in urban areas, where they have to satisfy firstthey basic needs such as house rent, food, health and education. Majority have seen their saving eroded by years of displacement.
- **Overreliance on vulnerable farming/livestock activities**: In rural areas, the majority of the population relies on agro-pastoral activities for their livelihoods. These activities are heavily dependent on scarce water resources, and competition over access to these resources can intensify local conflicts— the economy and livelihoods of population remained susceptible to increasingly frequent climatic shocks and stressors
- **Housing, land and property (HLP) issues facing displacement-affected populations in Somalia:** IDPs, returnees and refugees are particularly vulnerable since displacement often results in the loss of land and often in occupation and destruction of property. The loss of their home leads IDPs to live in poorer living conditions with risks to their health, safety and exposure to gender-based violence or forced evictions. The lack of land tenure security has the potential to endanger and limit the impact of livelihood investment. In most of the cases where very few people have registered ownership and most are either squatters or tenants, humanitarian or development organizations may be reluctant to invest in infrastructure such as shelter, schools, hospitals, and markets aimed at supporting IDPs for fear that beneficiaries might be evicted.

1.5.1 Lessons learnt

- A specific methodology is required to conduct urban livelihood assessments and carry out a consultative strategic planning process which ultimately informs program planning.
- Extensive consultations and cooperation with the UN and non-governmental organisations, other international organisations in the field (e.g. GiZ), local associations, refugees and host communities, and local authorities are critical to ensure they buy-in and long-term engagement. Meetings, reviews, and stakeholder's workshops need to be factored into planning and the implementation process.
- Private sector development in Somalia is inadequate owing to critical policy constraints, the prevalence of informal institutions, the incidence of competing alternative governance arrangements, and the lack of an effective and inclusive national public-private dialogue (PPD) mechanism to ensure more effective, inclusive, and efficient reform processes. There are issues with access/availability and performance of a range of enabling sectors, including the financial sector, the energy sector, transport and water, and business services.
- The activities put in place to effectively support FDP livelihoods should not be limited to strengthening people’s livelihood assets and capabilities (skills enhancement, access to cash, apprenticeships, or enterprise support). The overarching goal is to foster an enabling environment for the economic empowerment and self-reliance of FDP. This implies working on a policy level with national and local institutions across a range of activities including expanding: access to the formal employment opportunities through access to work permits; advocating with employer’s and the Ministry of Labor and Social Affairs to secure such access

– starting if necessary with a targeted groups whose skills corresponds known gasping the labour markets; awareness raising of targeted private sector employers etc.

- Seed funding is needed to kick-start priority interventions.
- Multi-year planning and funding are essential for livelihoods programming. This is because working effectively on economic and social aspects requires long-term engagement with development actors, with the private sector banking and business service providers.
- UNHCR and its partners require long-term donor funding to make substantial investments in infrastructure and capacity building to support the livelihoods and economic inclusion of forcibly displaced persons (FDP). Additionally, dedicated staff time is essential at UNHCR sub-offices and among livelihood partners to ensure effective planning and coordination, secure financial resources, and oversee UNHCR's interventions.

2. STRATEGIC OBJECTIVES AND APPROACHES

2.1. THEORY OF CHANGE

UNHCR Somalia's vision is to create a future where all forcibly displaced persons are more self-reliant and resilient. This vision encompasses the expansion of access to social protection, livelihoods, financial inclusion, and the capacity to actively engage in the local economy.

The primary objective of economic inclusion is to enhance the self-reliance and resilience of refugees and other forcibly displaced persons (FDP). In Somalia, both displaced persons and the general population are confronted with a range of security, environmental, and natural-related challenges. By enhancing the self-reliance of FDPs, while considering their unique circumstances, we can enable them to better absorb and recover from these challenges, thereby supporting long-term sustainable development.

This objective will be achieved when refugees, FDPs and stateless individuals have access to local support services, are included in poverty reduction initiatives and integrated into market systems. Furthermore, enhanced individual and household capital, improved resilience to shocks and stressors, and greater participation in the local economy are also required. In order to achieve these outcomes, it is essential to create a favourable legislative and regulatory environment in Somalia. Progressive policy and regulatory improvements will facilitate refugees' access to labour markets and enhance their integration into host communities.

By improving access to livelihood capital, skills development, entrepreneurship, and fostering public-private partnerships, we can enhance the self-reliance opportunities for refugees, returnees, IDPs, and host communities. This will reduce the reliance of forcibly displaced persons and stateless individuals on humanitarian aid or remittances. This will result in greater socio-economic self-reliance and resilience to economic shocks, while also contributing to the economic growth of their host communities.

In light of the protracted and complex nature of displacement in Somalia, a multi-stakeholder approach is essential to support self-reliance and reduce dependency on foreign aid. This approach should involve the integration of displaced persons into local systems and the contribution of various stakeholders, including the Government, international organisations, UN agencies, development

actors, international financial institutions, the private sector, and other parties. UNHCR will contribute to certain elements of this strategy, with the level of involvement varying from minor to significant based on the context.

It is important to note that the theory of change described here reflects the current understanding of UNHCR on how change can occur. As UNHCR builds an evidence base, incorporates this into livelihood approaches, and learns from monitoring, evaluation, and other information, the theory of change will be refined and adjusted.

For the vision of this strategy to be achieved, FDPs should be provided with basic needs, which will actively contribute to sustainable livelihoods. Vulnerable people and those at risk should be supported through the provision of shock-responsive social safety nets to better withstand recurrent environmental and climate change–induced crises.

2.2. STRATEGIC OBJECTIVES AND KEY AREAS OF FOCUS FOR INTERVENTIONS

2.2.1 Overall Goal

The primary objective is to improve access to livelihoods and economic inclusion opportunities for forcibly displaced persons (FDPs), enabling their transition from poverty and dependency to self-reliance and the achievement of lasting solutions. This will be achieved through three interdependent objectives, in collaboration with the Federal Government of Somalia and our partners.

- There will also be advocating for legal and institutional improvements. Promote the improvement of legal frameworks and the removal of institutional barriers to create a favourable environment for the economic inclusion of forcibly displaced populations.
- The objective is to ensure that planning and policy decisions are well informed. Utilize data, research and assessments to inform evidence-based programming, advocacy, implementation and monitoring of livelihoods programmes for FDP.
- Ensuring Program Impact and Sustainability is essential to expand the scope and integration of FDP into host community markets, enhance access to employment opportunities, and guarantee access to capital in order to guarantee the impact and sustainability of programs.

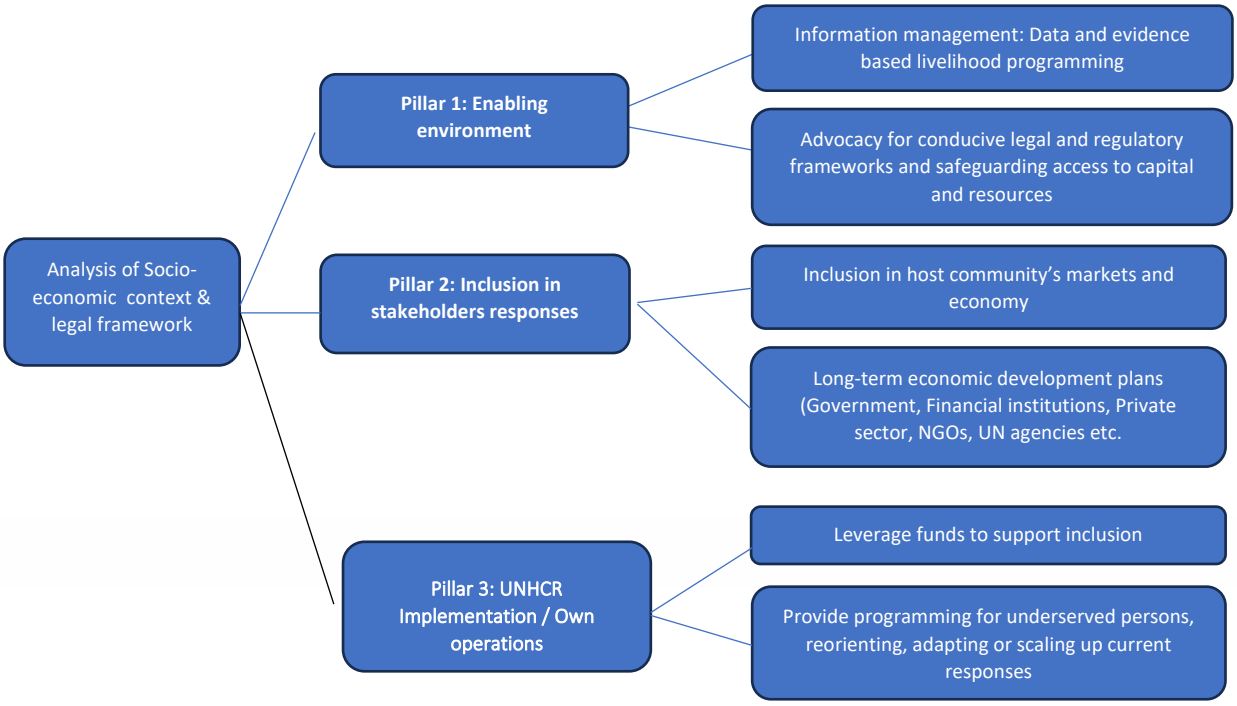
The actions set out in this strategy are designed to be complementary and sequential, with the aim of supporting FDP in transitioning from short-term aid dependency to increasing degrees of self-reliance over the medium and long term, as economies recover.

2.2.2 UNHCR Approaches

This strategy prioritizes a three-pronged approach: Facilitating inclusion of FDP in existing programmes (Pillar I), enabling environment (Pillar II), and tailoring new initiatives to fill gaps (Pillar III). The three pillars will require significant advocacy with a wide range of stakeholders to foster inclusion and raise funds. Recognizing its limited capacity to create large-scale livelihoods interventions and in line with the Global Compact on Refugees, UNHCR will continue to fully leverage everyone's added value and strategic advantages and continue to step up advocacy for the inclusion of FDP in other stakeholder's livelihood programmes.

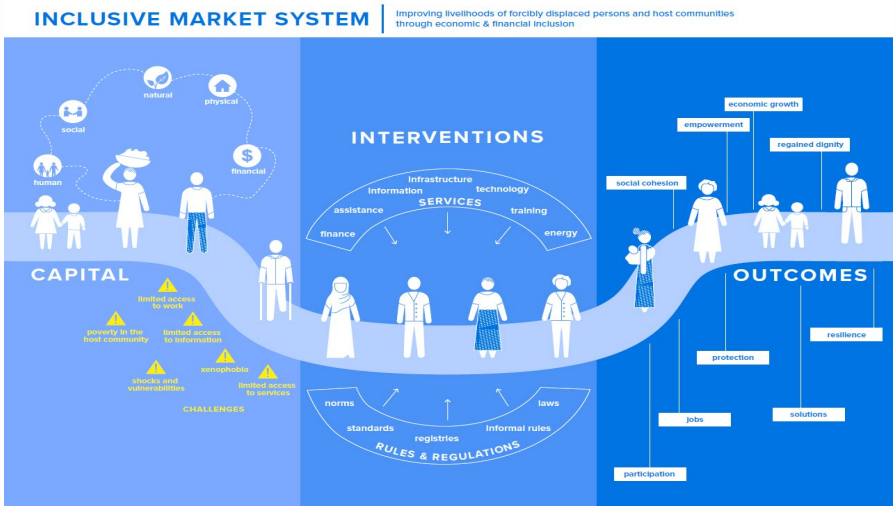
Globally, UNHCR has a comparative advantage in mobilizing and coordinating partners; providing outreach, socio-economic data on FDP, and context analysis (including age, gender and diversity dynamics and other protection considerations). To the extent possible, UNHCR's priority will be to play a catalytical role, enabling relevant stakeholders to include refugees in their services and programmes, in line with the refugee inclusion agenda. Gap-filling direct assistance is considered as a last resort in cases where the existing systems are not suitable or sufficiently reliable.

To ensure results-driven planning and implementation of livelihoods programs, UNHCR has adopted the Minimum Economic Recovery Standards (MERS) at the country level. Developed by the SEEP network, MERS reflects industry consensus on best practices for economic recovery in emergency and crisis contexts.



Inclusive market systems and market oriented approach

As shown the diagram below and highlighted in the UNHCR global Livelihoods and Economic Inclusion Concept Note 2019-2023, understanding the market system and the challenges refugees, returnees and IDPs may face in inclusion is key for strategizing how best to design and engage in interventions enhancing their economic inclusion.



- ***Partnership Mapping:*** Map out organizations, institutions, and stakeholders involved in supporting livelihoods to understand who is doing what, where, and how, to avoid duplication, identify gaps, strengthen coordination and leverage synergies.
- ***Market Assessments:*** Ensure the adequate market assessment conducted is in place to identify viable economic opportunities and tailor livelihood programs to market demands to inform UNHCR and Partner livelihoods programming.
- ***Value Chain Development:*** Support the development of value chains that can enhance the economic potential of refugees and host communities and respond to market needs.

Social protection and basic services delivery

Social Protection can help people address poverty, social exclusion, inequality and food insecurity, and protect the most vulnerable from shocks and stresses throughout their lives. UNHCR and partners work to ensure that more systematic efforts are undertaken to scale up social protection systems to cover the needs of FDP and host communities. The organization works with UN agencies and other stakeholders including donors, bilateral and international agencies, the private sector, etc.; under the leadership of Federal Government of Somalia and Member States to scale up predictable, inclusive and sustainable social protection measures to equitably meet the needs of FDP and host communities, where appropriate. These efforts contribute to the objectives of the Global Compact on Refugees.

Integrated Programming

- ***Holistic Approach:*** Ensure that livelihood programs are integrated with other sectors such as health, education, and protection to provide comprehensive support to persons of concern.
- ***Cross-Sector Collaboration:*** Foster collaboration between different units and field offices to create synergies and maximize the impact of interventions.

Community-Based Approach:

- ***Participatory Planning:*** Involve refugees, internally displaced persons (IDPs), and host communities in the planning, implementation, and evaluation of livelihood programs to ensure they meet the actual needs and priorities of the communities.
- ***Community Empowerment:*** Build the capacity of refugee-led-organisations (RLOs) and community members to ensure they can identify their capacity themselves and are able

approach to agencies for the support they need, take ownership of livelihood and other project initiatives and become self-reliant. Given the predominantly young population, focus on education, vocational training, and employment opportunities to reduce the high unemployment rate.

- ***Inclusive Protection Policies:*** Strengthen protection mechanisms for all refugees and asylum seekers, ensuring non-discrimination and equal access to services regardless of nationality or ethnicity. Identify and address barriers to economic inclusion, tailoring interventions to meet diverse age, gender, and vulnerability profiles.

Cash-based transfers / interventions:
Most refugees live in environments where they have access to markets and services. Providing refugees with cash assistance enables them to fulfil their needs in a dignified manner, contributes to the local economy, and may have positive spillover effects on financial inclusion where local financial services are leveraged. Cash transfers empower people with a choice to address their essential needs and can contribute to peaceful coexistence.

Climate risk management:
The impacts of climate change are far reaching, with limited natural resources, such as water, likely to become even scarcer in Somalia. Crops and livestock struggle to survive in climate change 'hotspots' where conditions become too hot and dry, or too wet, threatening livelihoods and exacerbating food insecurity.

UNHCR Somalia together with the UNCT call for urgent actions to scale up climate change adaptation and mitigation efforts for the most food insecure people. It encourages the integration of a variety of technologies, services and tools to better equip communities to adapt to the impacts of climate change. This can include diversifying livelihoods; protecting assets, incomes and crops with insurance and access to financial services; improving access to markets; and rehabilitating land. It also works with partners to ensure these initiatives can be incorporated into their livelihoods programming.

Promote Green Jobs:

- ***Environmental Sustainability****:* Integrate the promotion of green jobs and sustainable livelihoods that contribute to environmental sustainability.
- ***Training in Green Sectors****:* Provide training in renewable energy, sustainable agriculture, and waste management, with a particular focus on plastic waste management to promote climate smart agropastoral interventions, landscape restoration measures, agroforestry where climatically feasible

Innovation and Technology:
Innovation is critical to ensuring UNHCR delivers efficiently and in a forward-looking manner on its mandate. Specific initiatives include the Digital Inclusion Programme and Connectivity for Refugees.[5] Digital Inclusion is a vital tool for self-reliance and positive change only when internet access is available to all, affordable, legal and inclusive of displaced and host communities alike. The programme has a keen focus on breaking down digital divides, such as those based on age, gender or disability, and seeks to further equitable access in close partnership with private sector and

[5] https//:www.unhcr.org/innovation,connectivity-for-refugees.

refugee-led organizations. It seeks to promote access to the digital economy for communities, linking closely with digital livelihood opportunities:

- ***Digital Solutions**:* Leverage digital technologies to improve access to information, financial services, and market opportunities for persons of concern by developing necessary infrastructure for connectivity and energy access as a prerequisite.
- ***Innovative Practices**:* Encourage the adoption of innovative practices and technologies that can enhance the effectiveness and sustainability of livelihood programs.
- ***Focus on Digital Inclusion**:* Emphasize digital inclusion by providing digital literacy training and ensuring access to digital tools and platforms.

Partnerships and Collaboration:

- ***Multi-Stakeholder Engagement**:* Engage with a wide range of stakeholders, including government agencies, NGOs, private sector, and international organizations, to leverage resources and expertise.
- ***Public-Private Partnerships**:* Foster partnerships with the private sector to create employment opportunities and support entrepreneurship among refugees and host communities.
- ***Research Partnerships**:* Foster partnerships with academic institutions and research organizations to study and address the complex challenges facing Somalia.

Capacity Building:

- ***Skills Training**:* Provide targeted skills training and vocational education to enhance the employability and entrepreneurial potential of persons of concern. This will help Somalia operation operationalize and streamline the regional strategy on Youth empowerment.
- ***Institutional Strengthening**:* Strengthen the capacity of local institutions and organizations to deliver effective livelihood support services.

Monitoring and Evaluation:

- ***Impact Assessment**:* Implement robust monitoring and evaluation systems to assess the impact of livelihood programs and ensure continuous improvement.
- ***Data-Driven Decision Making**:* Use data and evidence to inform program design and implementation, ensuring that interventions are responsive to changing needs and contexts.

Advocacy and Policy Influence:

- ***Legal and Policy Frameworks**:* Advocate for favorable legal and policy frameworks that support the right to work and access to economic opportunities for refugees and IDPs.
- ***Awareness Raising**:* Raise awareness among policymakers, donors, and the public about the importance of livelihoods for the well-being and self-reliance of persons of concern.

2.2.3. Key areas of focus

Strategic objective 1: Enhancing advocacy for the improvement of the legal framework and institutional barriers, and for a conducive environment to the economic inclusion of forcibly displaced population.

Outcome 1*: Somalia's legal and regulatory environment is conducive to refugee economic inclusion*.

Advocacy for conducive legal and regulatory frameworks

An enabling environment is key to the economic inclusion of forcibly displaced persons and stateless. In accordance with the Global Compact on Refugees and the Nairobi Declaration, influencing legal and policy changes that give forcibly displaced people the right to work in economically vibrant areas via employment and self-employment will be a priority of this strategy. Advocacy will primarily focus on improvement of legal and policy environment to leverage opportunities presented in the 1951 Refugee Convention and in the Kampala Declaration on jobs and livelihoods and other national legal provisions to increase access to work permits and access to financial services.

UNHCR will continue high-level engagement with the government and provision of technical support with law and policy development. Under the lead of the Ministry of Interior and NCRI, UNHCR will conduct advocacy at federal and sub-national level for the development of law and policy designed to ensure that refugees, asylum seekers, returnees, stateless persons and those at risk of statelessness and IDPs can fully exercise their rights to decent work without discrimination.

Strategic objective 2: Ensuring Informed planning and policy decision-making through enhancing the use of data, research and assessments for evidence base programming, advocacy, implementation and monitoring of livelihoods programmes for FDP.

Outcome 2: *Market and evidence-based livelihoods programming for forcibly displaced persons is enabled through the creation of a solid evidence base.*

Informed planning and policy decision-making

In order to ensure sustainable livelihoods and promote economic inclusion, livelihoods programming should be data driven. Having comprehensive data about refugees and their host communities will encourage the private sector to open new markets given the availability of a specific labour workforce. Data collection will not be limited to skills and experience but also to documentation, socio- economic status including vulnerability and deprivation, qualifications, health, social networks and geographic location.

To promote an effective and sustainable livelihood for forcibly displaced persons and host communities, a value chains analysis will enable FDP to play a key role in economic growth and poverty reduction in local communities' economic empowerment. To address value-chain knowledge gaps, UNHCR will support studies and collaboration with other stakeholders ILO, UNIDO and FAO to support market-oriented livelihood activities. Building on ILO's experience and tools in value chain analysis, UNHCR will support the harmonization of existing and future value-chain support activities. Additionally, data from value chain assessments will be used to identify potential value chains were forcibly displaced persons and stateless can be integrated and derive benefit.

In close collaboration with the Data and Information Management and Analysis unit, socio-economic data collection and analysis will be improved through the use of UNHCR's tools, including the Results Monitoring Survey (RMS) to measure and analyse outcomes and impact of interventions.

UNHCR has rolled out the Livelihoods Information System (LIS) tool to monitor the impact of UNHCR's livelihoods programmes through a set of global indicators. This with other socioeconomic assessment conducted by UNHCR or partners serves as a baseline and guide for stakeholders and government authorities to identify bottlenecks and catalysts to resilience building. The LIS will be periodically repeated to monitor progress and shift over time to resilience.

As the forced displacement context moves beyond the initial crisis towards stabilization as part of the humanitarian-development nexus, there is increased emphasis on the need to employ long-term planning and decision-making. To support the implementation of the durable solutions, especially the implementation of the GRF pledge on employment creation, UNHCR will continue to advocate for the inclusion of refugees in the Somalia displacement socioeconomic survey conducted by World Bank and other economic assessments, including those conducted by the SNBS to facilitate inclusion of refugees into national development plans and programmes. Where possible, inclusion of forcibly displaced persons into national poverty and socioeconomic surveys, including those conducted by the World Bank (JDC) and the Somalia National Bureau of Statistics (SNBS) will be the primary option as this has the double function of providing comparative data and symbolize Government recognition of the needs of forcibly displaced people and stateless. UNHCR will also advocate for inclusion in assessment by others (WFP, NGOs etc.), and commission joint assessments with partners.

Strategic objective 3: Ensuring impact and sustainability of programmes through increasing scale and inclusion in host community's markets, strengthening access to employment opportunities, and safeguarding access to capital.

Outcome 3*: Refugees have enhanced individual and household capital, improved capacity to face shocks and stressors, and greater ability to participate and contribute to the local economy.*

Safeguarding access to capital, resources and markets

In rural areas in Somalia, especially in south central, IDPs and vulnerable host communities share challenges related to the limited access to land and inadequate land tenure security. In coordination and collaboration with NCRI on site planning, UNHCR will work with local municipalities and national structures, including MoIFAR, to advocate at the local level, using available land tenure governance systems to increase tenure security and build mutual trust between refugees and host communities, while reducing the risk of potential conflicts and ensuring the long-term sustainability of investments and joint production efforts at scale.

Refugees and other forcibly displaced persons in Somalia have limited access to financial services. UNHCR will therefore continue to engage with actors such as the World Bank who are supporting the Government in the development of digital IDs, with Financial Service providers such as KIVA, AMAL Bank, SCB and Himilo to ensure access to financial services including savings, loans, payments, and mobile money.

Outcome 4*: Refugees have access to local supporting services, are included in poverty reduction efforts and are integrated into market systems.*

UNHCR will continue to advocate for the inclusion of refugees and other FDPs in local services supporting economic inclusion, including finance, business development, and job placement. UNHCR will also support UN partners to include refugees in their planning cycle and work plans to ensure they are included in their programmatic interventions across the UNSDCF.

UNHCR will also advocate for the inclusion of refugees in poverty reduction and economic growth efforts funded by development banks, multilateral funds, donors, and their technical cooperation agencies.

To facilitate the inclusion of refugees into development plans, UNHCR will map all administrative, social and cultural norms and practices that might hinder refugee access to economic inclusion, support stakeholders in their targeting and inclusion of refugees by facilitating referrals, including through the sharing of relevant socioeconomic data, demographics and protection considerations, and strengthen partnership with development and private sector actors. The following are some existing or potential partners that exist in Somalia:

UN agencies

UNHCR will work to advocate for the inclusion of FDP into projects and investments of humanitarian's agencies. Bilateral collaboration and coordination with other UN agencies (FAO, UNDP, WFP, UNIDO, UN-Habitat etc.) will continue to be a key feature of the implementation of livelihoods strategy. The comparative advantage within the UN for skills and knowledge, building on its relationship with and access to government, presence across the country will be maximized.

Operationalizing MOUs and partnerships created at HQs, regional and country level will be enhanced. This will ensure covering the serious gaps in funding of livelihoods for refugees and other forcibly displaced.

Further to the global MoU between UNHCR and FAO, UNHCR will engage FAO bilaterally and advocate for the inclusion of displacement affected populations as a criteria for selection into FAO-run livelihoods projects such as the seed distribution and livestock distribution projects, as well as explore such opportunities, including through joint project proposals wherever possible, to ensure inclusion of persons of concern into agricultural, fisheries, energy and natural resource management programs and improve knowledge sharing between the two agencies.

UNHCR will step up its engagement with ILO, to identify value chains in alternative sectors in which refugees and other FDP can be employed, and which offer high or increased demand, to support labor market assessment and value chain analysis, and to support advocacy initiatives with governments and employers and private sector, as represented by the Somalia National Chamber of Commerce in exploring opportunities for on-job training for FDP.

Development actors

Development actors are often the best placed to lead on livelihoods interventions. Collaborating with development actors can help bridge the humanitarian-development divide in the response to displacement needs, enabling greater access to funding, and resources, as well as strengthened linkages with governments, the private sector, and other key actors. UNHCR will collaborate closely with development actors such as traditional donors (EU, WB, Government of Japan, Government of Korea and others), and their technical cooperation agencies (JICA, KOICA, etc.).

In Somalia, UNHCR is a member of the *Poverty Alleviation Coalition (PAC)* together with Danish Refugee Council, Concern Worldwide, Norwegian Refugee Council, World Vision International and others. The Coalition[6] was formed in 2019 in response to the increasing number of refugees and host communities living in extreme poverty. UNHCR is a coordinating member of the coalition. The overall objective is to alleviate poverty of 6,100 refugee and host community households in Somalia from 2020-2025.[7] This will be reached through the Coalition's common vision of increasing self-reliance, economic and social inclusion of persons of concern and host communities by sustainably increasing income opportunities. The coalition adopted the well proven poverty alleviation model – the Graduation Approach – which targets extremely poor households. The target areas are Hargeisa District, Waqooyi Galbeed Region, Bosasso District, Bari Region and Baidoa District, Bay Region, which may be expanded up following successes in implementation.

Financial Service Providers

Financial Services Providers (FSPs) of relevance to UNHCR's persons of concern include banks and microfinance institutions, mobile telephone operators and relevant government line ministries. So far UNHCR has engaged microfinance service providers such as KIMS, Amal Bank and IBS Bank to identify the available services offered by these institutions, requirements for forcibly displaced people to access loan services, and to advocate for these institutions to develop microfinance products suitable for the poor and vulnerable. More providers in Somalia will be engaged in the same way. Following these assessments, UNHCR will start a dialogue with FSPs to identify opportunities to better serve forcibly displaced persons. UNHCR will also facilitate sessions between FSPs and groups of refugees, returnees and IDPs to inform the development of adequate products that address their concerns while meeting the business requirements for FSPs.

Private Sector Engagement

UNHCR engagement with the private sector (including but not limited to companies, private employment services and business incubators) can increase the wage- or self-employment of refugees through advocacy efforts and investments in development of refugee employability initiatives such as private TVET centers, companies offering trainings, mentorship programmes, internships, and apprenticeships. Collaboration with the private sector can also establish links and innovative business models with global supply chains for products made by refugees to promote shared value.

This strategy acknowledges that in the Somalia context, engagement with the private sector has proven very challenging, in particular regarding the inclusion of highly vulnerable groups. Nevertheless, some companies and society have already manifested their interest in including refugees and other FDP in their programmes. UNHCR will continue reaching out to the private sector, such as the HORMUUD Company who is keen to collaborate and support various initiatives including employment of refugees, but also scholarships as they are already a Chevening scholarship partner.

Another option that UNHCR will continue to explore options to establish working more closely with the Somalia National Chamber of Commerce at the federal and state levels to initiate engagement with the private sector and to deepen UNHCR's understanding of the sector's needs to improve vocational skills training and job preparedness of FDP.

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[6] https://alleviate-poverty.org/about

[7] The concept developed by the coalition note can be found HERE.

***Outcome 5**: Impact and sustainability of the UNHCR's implemented livelihood's interventions is improved*

Using the Minimum Economic Recovery Standards (MERS) and UNHCR minimum criteria for livelihoods programming, UNHCR and partners will identify and support the most vulnerable and marginalized groups that need livelihoods support.

UNHCR will re-orient livelihoods programmes to bridge the humanitarian-development nexus ensuring more sustainable solutions. Such decisions will be based on the (i) suitability of the programmatic interventions to address refugees and other FDP' specific needs regarding their economic inclusion, (ii) the market relevance of the intervention, (iii) capacity of relevant stakeholders engaged and (iv) feasibility to handover the interventions to relevant actors in the longer term to ensure sustainability.

UNHCR and partners will focus on initiatives that are climate sensitive to increase resilience to climate shocks, and support to new "green jobs"., and higher value-added processing. Support will also be provided for digital inclusion and higher value-added processing.

Outcome Indicators

1) Proportion of FDP working age who are unemployed.
2) Proportion of FDP who self-report positive changes in their income compared to previous year.
3) Proportion of FDP with an account at a bank or other financial institution or with a mobile-money-service provider.
4) FDP are nominally included, and their specific needs are recognised in the portfolio of strategic partners.

Outcome indicators are disaggrated by Refugees and Asylum seekers, IDPs, Returnees and Host communities

2.2.4. Monitoring and Evaluation (M&E)

The operation will establish robust M&E framworks to measure program impact, ensuring that lessons learnt are integrated into future programming. Continuous adaptation based on data driven insights helps ensure sustainability and effectiveness. These sustainable approaches align with UNHCR's broader goals of enhancing resilience, promoting self-reliance, and supporting the translation from emergency relif to long-term development.

The Livelihoods Information System (LIS)[8] will be used to measure the progress of activities directly implemented by UNHCR or its partners and will measure changes only in the target group benefiting from the specific intervention, capturing data on key indicators such as access to livelihood assets,

[8] UNHCR Livelihoods Information System

wage employment, self-employment, and financial inclusion. The LIS process consists of baseline and end-line surveys, followed by partner-specific data collection to monitor program outcomes and inform future planning. These surveys will provide critical data to evaluate the effectiveness of interventions, identify areas for improvement, and ensure that the strategy remains responsive to the evolving needs of target populations, and contributing to more sustainable and impactful outcomes.

Participatory feedback mechanisms will be set up to incorporate FDPs input, allowing for adaptive program design and real-time adjustment.

2.2.5 Data Collection and Sharing

Data collection and sharing will underpin all strategic areas, ensuring evidence-based decision-making. Regular socio-economic profiling will be conducted to capture refugee skills, financial profiles, and economic activities. Market analysis, in collaboration with the World Bank, ILO, and research organizations, will be carried out to identify labor market trends and value chain opportunities. Strengthening mapping on specific value chains or market assessments through collaboration with relevant partners will be essential to enhance advocacy efforts and attract investment by demonstrating the economic contributions of refugees, returnees and IDPs. Sharing anonymized data with partners will enhance advocacy efforts and attract investment by demonstrating the economic contributions of FDPs.

2.2.6 Assumptions and Risk Management

The overarching assumption of the theory of change is that other partners, in particular the UN agencies, development partners and private sector, will agree to engage alongside UNHCR in actions related to improvement of self-reliance of forcibly displaced people and promotion of their inclusion in local economy. This condition implies an integration of the needs of the FDPs into the local development plans of the State and into the programs of its development partners. UNHCR leverages its advocacy and partnership-building capacities, its position in the UN system and the commitment of the FGS reiterated through its national durable solutions strategy.

UNHCR undertakes risk identification, analysis and assessment as part of its planning processes mitigate and risks measures. This includes a mapping of the likelihood of a risk to impact. As part of its full risk analysis, UNHCR identify potential risks that can affect the effective implementation of this Strategy:

- Inconsistent implementation of legal and policy framework for the protection of refugees, IDPs and stateless persons in Somalia due to dynamics between federal and FMS level.
- Conflict combined with natural disasters continue funding to the FGS decreases and limited investments in livelihoods and FDP's economic empowerment work.
- Political dynamics in Somalia which could be conflicting priorities of development partners.

United Nations High Commissioner for Refugees
Representation Office in Somalia