REFUGEE SELF·RELIANCE INITIATIVE

CAN MARKET SYSTEMS APPROACHES CATALYZE SELF-RELIANCE FOR FORCIBLY DISPLACED AND HOST POPULATIONS?

Key Considerations and Strategies

Introduction

In May 2024, UNHCR reported that the number of refugees and other forcibly displaced populations had reached 120 million globally, the 12th consecutive annual increase.[1] It also reported that 69% of refugees reside in countries neighboring their place of origin, and 66% are in protracted situations.[2] Most forcibly displaced populations live among host communities that are also struggling with limited economic opportunities, climate-related risks, violence, and even internal displacement themselves.[3] This can result in friction between host and displaced populations, limited willingness of local authorities to enable integration of the displaced into local communities, and cycles of aid dependency for both displaced and host communities. With protracted displacement often extending for decades and more regions destabilizing, the current situation is not sustainable. Refugee-focused organizations, humanitarian and development agencies, and governments should work together to create durable solutions that increase the self-reliance of both forcibly displaced and host populations and support the resilience of the systems that surround them.[4]

Systems-based approaches offer one solution. They use assessments to fully understand the constraints and opportunities within the market and social systems in which displaced populations and host communities live and then develop interventions that tackle underlying issues to enable sustainable, scalable solutions. A number of initiatives have been launched in recent years with the aim of utilizing systemic approaches to integrate forcibly displaced populations into local economies and host communities. These programs have faced similar challenges, particularly in ensuring a balance in the participation rates of host communities and

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1 Refugee Statistics, UNHCR.

2 UNHCR defines protracted situations as "those where more than 25,000 refugees from the same country of origin have been in exile in a given low- or middle-income host country for at least five consecutive years. UNHCR Global Trends 2023, Pg 21.

3 UNCHR reports, "At the end of 2023, almost three-quarters of forcibly displaced people were living in countries with high-to-extreme exposure to climate-related hazards. Nearly half of all forcibly displaced people were living in countries where they remained exposed to conflict as well as these same climate-related hazards." Ibid, Pg 23.

4 Durable solutions are achieved when displaced persons no longer have any specific assistance and protection needs that are linked to their displacement and can enjoy their human rights without discrimination on account of their displacement. Market Systems Development Principles & Terminology, RSRI. The durable solutions framework exists to guide duty-bearers, humanitarian actors, and development actors on the key elements and coherent vision to achieve durable solutions and build self-reliance. IASC Framework on Durable Solutions for Internally Displaced Persons.

displaced populations (resulting in a low percentage of displaced individuals benefiting). Applying systems strategies in these contexts without adapting interventions to the specific constraints and opportunities of forcibly displaced populations is ineffective.

While there are a number of assessments and guides that explore the theory and practicalities of using market-systems approaches to expand opportunities for forcibly displaced populations (see a partial list at the bottom of this article), specific lessons learned from programs and advice on how to adapt strategies are still missing. This paper aims to synthesize the learnings produced from existing interventions into a brief review of what is different about forcibly displaced populations and a list of tips on how to implement market systems approaches to foster inclusive system change.

Specific Characteristics of Forcibly Displaced Populations

It is important first to understand what specifically sets forcibly displaced populations, especially refugees, apart from their host communities in terms of how they can and do engage with markets. These unique constraints are often the primary challenges to successful market integration. Some of the common constraints faced by the forcibly displaced are:

- **Lack of formal Identification Documents (IDs):** The type of local documentation individuals hold, or the lack of any at all, can restrict their right to obtain a formal job, register a business, open a bank account, purchase a SIM card, or partake in any number of other activities. While this may also affect host communities, forcibly displaced populations may not be able to obtain formal IDs, even with support, or may face significant bureaucratic delays.
- **Limited freedom of movement and access:** Refugees may be confined to camps and settlements or to specific areas, influencing their livelihood prospects.
- **Limited legal right to work:** In some countries, refugees are only allowed to work in specific sectors, and in many countries, they are not legally allowed to work at all. This limits their livelihood options and increases their vulnerability to abuse. They may also not be allowed to purchase property.
- **Travel debt burdens:** Forcibly displaced populations may have taken on debt to pay their family's relocation costs, adding to their financial challenges.
- **Limited access to finance:** Beyond the traditional challenges poor populations face in accessing financial services, "half of the global refugee population live in host countries that

restrict their access to bank accounts, thereby imposing barriers to livelihood opportunities."[5] This issue is closely tied to the lack of legal status, formal IDs, financial history, and collateral, as well as perceptions of institutions and individuals that displacement is transitory and, therefore, all displaced populations are too risky to lend to.

- **Inability to transfer skills/assets:** Many forcibly displaced individuals had a sustainable livelihood and were self-reliant prior to their relocation. They may have skills and work potential but now lack the assets necessary to restart that livelihood. In particular, many displaced individuals have lost savings and essential tools, equipment, and materials needed to pursue their previous livelihood. They may also have lost professional documentation or lack locally recognized skill certifications necessary for employment.
- **Lack of social connections:** Forcibly displaced populations may lack the local networks needed to obtain information and assistance (including financial or care support), or those networks may only function within the displaced community and not connect to host community networks.
- **Lack of social cohesion:** The displaced may not speak the local language, follow a different religion, or hold distinct cultural practices that limit their ability to both pursue a livelihood and bridge the lack of social connections.
- **Challenges to mental health and psychosocial wellbeing:** Displaced populations fleeing violence may have experienced trauma and lack access to culturally informed psychosocial services. These factors may hinder the ability of displaced populations to pursue livelihood activities. One study states, "about one-third of displaced persons will experience high rates of depression, anxiety, and post-traumatic stress disorders (PTSD),"[6] while other studies have shown even higher rates of clinical depression (up to 89%) for specific displaced populations.[7] In addition, those who have experienced gender-based violence may be ostracized by their communities or discriminated against and may be restricted in their employment opportunities, for example, working only during daytime hours to reduce the risk of violence.
- **Specific security risks:** Beyond routine security challenges faced by host communities, forcibly displaced populations may suffer from targeted violence stemming from prejudice among the host population and/or economic exploitation, such as low wages or sexual exploitation, due to their lack of legal status. They may also have faced, or still face, threats to their physical safety in conflict zones or areas with high crime, for example, refugees traveling through gang territory in Central America.
- **Aspirations:** Displaced populations may intend to return home, move onward to a third

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5 Kathryn McDonald, Structural Barriers to the Digital Platform Economy for Forcibly Displaced Workers, Forced Migration Review Issue 73, May 2024, Pg. 43.

6 Shaimaa Eldib, Mental Health and Forced Displacement, Physiopedia.

7 Biological Psychiatry in Displaced Populations: What We Know, and What We Need to Begin to Learn, December 2022. Mental Health and Forced Displacement, Physiopedia.

country, or settle into the host community. Different aspirations affect the types of livelihood activities they are interested in, such as jobs that require a long investment in skill building. These aspirations may also manifest themselves in unexpected ways. For example, the Strengthening Socio-Economic Development and Better Employment Opportunities (STEDE) Program in Ethiopia found that some Somali refugees "did not want to participate [in livelihood activities] because they did not want to appear wealthier and therefore less likely to get permission to travel to a third country."[8] Even for those who intend to remain in their current location, there may be a disconnect between their aspirations and local market opportunities or employer needs. In Jordan, for example, Syrian refugees must compete with imported labor from countries like Bangladesh, and their expectations of remuneration and job conditions in industries like textiles may not match available opportunities.

Program Implications and Recommendations

Based on these constraints, the following steps are recommended to ensure displaced populations can actively participate in and benefit from self-reliance programming:

1. Segment target populations in all assessments to understand differences in how they engage with markets

It is important to start any program assessment and design with a segmentation analysis to understand the target population(s) and their differing constraints. Potential participants should be divided into segments with common characteristics and disaggregated as much as necessary to capture nuanced differences. In a forced displacement context, it may be tempting to only segment target populations by citizenship status or by gender. However, individuals may have interests that make them distinct or similar to others within their status group, for example, place of origin, interest in wage versus self-employment, or types of skill sets. Target populations may also have different stages of market readiness (i.e., early recovery, recovery, and development) and locations (i.e., urban versus rural or proximity to refugee camps).[9]

Some questions to consider are:

- What are the capacities and aspirations of both host and displaced populations? How are they different and similar?

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8 Outcome Harvesting Study of STEDE's Efforts to Support Refugee Integration in Somali Region, Ethiopia, December 2023 Canopy Lab/Mercy Corps. Pg 23.

9 Even if a program has a sole focus on forcibly displaced populations, it is still important to understand how host populations interact with systems as that may identify opportunities to address displaced population constraints and identify common issues between both host and displaced populations, leading to a better argument for change.

- What specific restrictions and/or constraints do forcibly displaced and host populations face? These include logistical aspects, like language, child care, or transport from camps, and social/psychological aspects, like fear or a lack of networks needed to find jobs.
- How do forcibly displaced and host populations currently engage in the markets and systems being assessed, including which systems and how? What are the different levels of market readiness of the target participant groups?
- How do displaced and host populations interact? What are their current and historical social connections, power dynamics (including those between different displaced communities), ties, and divides?
- What institutions are trusted and relied on by the different groups? Note that these may not be the obvious local actors. For example, Refugee-Led Organizations (RLOs) may be vital sources of information, advocacy, assistance, and livelihoods for forcibly displaced populations.
- Where do forcibly displaced populations come from, and how do the different groups interact with each other? What are the resulting social dynamics?[10] What is the level and type of engagement of the humanitarian community?

PROGRAM EXAMPLES

Pay-as-you-go (PAYGo) is an effective market-based tool to make equipment, particularly alternative energy products, accessible. Uganda has a flourishing market for PAYGo solar energy. Yet in 2019, there was "a near-total absence of PAYGo products and services within West Nile refugee settlements."[11] Mercy Corps conducted market segmentation analysis, dividing consumers into four major segments and then by income sources, displacement status, and gender, to understand why and assess which targeted interventions could address existing market barriers and improve choices for refugee energy consumers (see table on Page 6).[12] They used the results to design a successful program that better aligned the energy products for sale with what refugee and host community members wanted, facilitated viable business models, and greatly increased solar energy access.

10 Sometimes, forcibly displaced populations gravitate to areas where they have existing networks and are self-organized. Other times, the humanitarian system determines people's location. This can lead to very different social dynamics within displaced communities.

11 Katie Whitehouse and Sara Murray, Paying for Darkness. Mercy Corps, November 2019, Pg. 4.

12 The four major consumer segments identified were those unable to work, farmers, female business owners, and male business owners.

SEGMENT	VULNERABLE GROUPS	FARMERS	FEMALE BUSINESS OWNERS	MALE BUSINESS OWNERS
Profile	Hosts & Refugees Male & Female Disabled / Caregivers / Elderly	Hosts & Refugees Male & Female	Hosts & Refugees Female Only	Hosts & Refugees Male Only
Prioritized value of energy product	Children's education Nighttime safety for travel/water collection / shopping Single lights (easy to hold and for single households)	Children's education More bulbs for more rooms Nighttime safety for travel/ shopping Phone charging	Children's education Nighttime safety for self and business facilities Phone charging	Access to information and communication for business purposes Large power source
Calculated disposable income	8000 UGX per month (no significant segmentation trend in results)		MSME at 18,000 UGX (average, though male MSMEs may be higher)	
Energy product matches	Wind up / dry cell torch Mobile phone charging 50 lumen solar	Wind up / dry cell torch Mobile phone charging 220 lumen solar	Wind up / dry cell torch Mobile phone charging 220 lumen solar	
Payment requirements	Cash Payment up front	Cash Loan up to 9 months	Cash / Mobile money Loan up to 12 months	

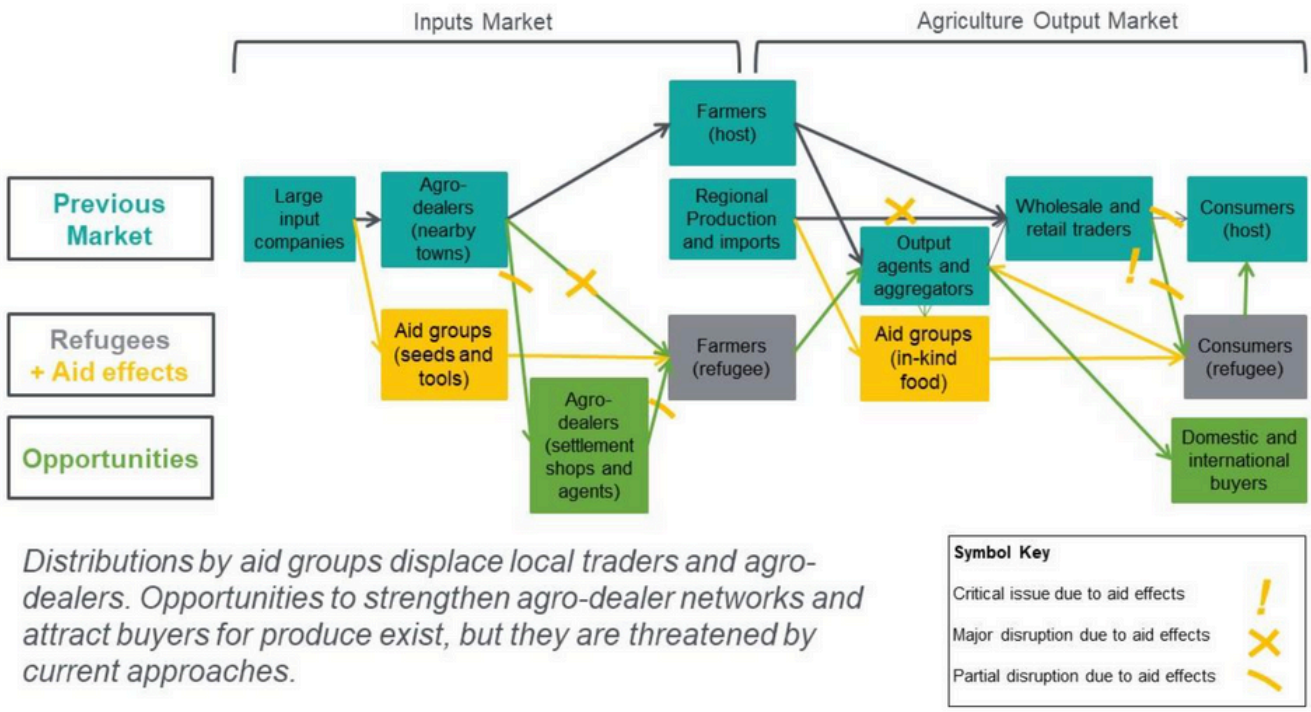
Building Markets found that Syrian refugee entrepreneurs in Türkiye initially faced a significant language barrier. This negatively impacted their ability to access information on financial opportunities, laws, and regulations. As a result, "many companies do not comply with the rules, often unknowingly or due to fears and concerns about administrative procedures."[13] Building Markets specifically includes laws and regulations in its mentoring services for Syrian entrepreneurs to overcome this constraint.

13 Best Practices in Mentorship for SMEs, What Works Series, Building Markets, June 2023, Pg. 8.

2. Analyze the unique challenges and opportunities of demand and supply dynamics in camps/settlements to adapt to system realities

Displaced populations are often forced into specific neighborhoods, towns, or camps in less desirable or more remote areas with thin markets. These areas are also frequently supported by large humanitarian aid operations. This affects the market systems in which displaced populations live and work. In particular, humanitarian aid can heavily distort items for sale in local markets and the prices charged. It can also unintentionally undermine self-reliance or create perverse incentives. For example, food and cash distributions can incentivize households to remain close to distribution points in overcrowded areas rather than relocating to locations with higher economic potential. The situation is even more distorted in refugee camps where authorities regulate inflows and outflows of goods. Both internal and external market actors may struggle to gain permission to work across camp boundaries. At the same time, the influx of displaced people creates additional market opportunities and can spark growth.

The graphic below shows an analysis of the effects of aid on markets for food and livelihoods in Bidi Bidi, Uganda in 2016.[14]



Distributions by aid groups displace local traders and agro-dealers. Opportunities to strengthen agro-dealer networks and attract buyers for produce exist, but they are threatened by current approaches.

[14] Miji Park and Alison Hemberger, Refugee Markets Brief: The Power of Markets to Support Refugee Economic Opportunities in West Nile, Uganda. Mercy Corps, December 2017.

Where possible, market systems and humanitarian programs should collaborate to reduce market distortions and foster local economic opportunities. Where that is not possible, market systems programs may need to intervene in sectors, such as transportation, or market functions, such as financial services not sustained by humanitarian aid. Programs may need to plan more time to reset participant expectations of handouts and to overcome aid dependency.

PROGRAM EXAMPLES

Delivering Resilient Enterprises and Market Systems (DREAMS) for refugees in Uganda worked with the World Food Program (WFP), UNHCR, and the government to create a tiered system for the long-term food rations they provide to refugees in camps in Uganda. The new system fully supports households with no economic opportunities but reduces rations for households with the pathway to be self-reliant. DREAMS, in turn, promotes access to employment and income generation, including stimulating the development of local markets and encouraging refugees to leave the settlements.

In 2017, in Kakuma, Kenya's largest refugee camp, the Norwegian Refugee Council (NRC) partnered with the International Human Rights Clinic at Harvard Law School to research the challenges residents faced in obtaining movement passes and business permits. The study demonstrated that "restricted freedom of movement of refugees combined with a costly and bureaucratic business registration process creates a loss-loss situation for all: It not only results in reduced economic opportunities for refugees through impeding access to input and sales markets, it also causes a loss of approx. USD 6 million of annual tax revenue for the municipal government that hosts the Kakuma camp." NRC and UNHCR then held a series of business roundtable discussions with local government.[15] Subsequently, the Garissa County government created a legal framework for business licensing, including refugee businesses, and NRC provided legal assistance to refugee businesses for registration and movement passes.

3. Develop a clear theory of change (ToC) disaggregated by subgroup to ensure appropriateness of program interventions for different groups

[15] Promoting an Enabling Environment for Refugee Businesses in Kakuma, Market-Based Approaches in NRC: Learn & Apply, NRC.

The information gathered through the assessments should guide the sectors selected, the choice of partners, and the specific interventions. It is important to develop a theory of change not only for the changes desired in the system but also for how specific segmented target populations will participate and benefit, even as a subset of a wider group of program participants disaggregated by relevant diversity (host versus displaced, market readiness, gender, age, etc.). It is also important to map out the ripple effects that may come from interventions due to power and social connections. This is particularly important in contexts where refugees cannot legally work and/or own a business and must partner with a host community member to be legal. A key step may be co-designing interventions with displaced populations and refugee-led organizations.

PROGRAM EXAMPLES

In 2022, the International Labor Organization (ILO) conducted a market systems assessment of the food sector in Egypt to analyze how to increase opportunities for refugees. Constraints and opportunities were disaggregated by gender, country of refugees' origin, and type of food business (informal home-based kitchens, small fast-food units, home-grown agriproduct and processing units, small retailers, and restaurants). The assessment recommended different interventions for the different subpopulations. For example, "many refugees, particularly men, prefer to work as employees in the food service industry as a more stable and secure type of income-generating activity," so the report recommended facilitating job placement services, while women, who generally are restricted to home-based kitchens, required improved distribution channels.[16]

In Ethiopia, the SHARPE program's initial ToC in the poultry sector could be summarized as "host communities lead and refugee communities follow." However, SHARPE discovered that Somali refugees, especially women, had more experience in backyard/commercial poultry production than their host community counterparts. SHARPE reversed its ToC to "refugee producers lead and host community producers follow." SHARPE shifted its poultry sector intervention to focus on refugee communities and partnered with a Jijiga-based SME poultry business with an existing hatchery and feed production and an ability to scale production in the Somali camps.[17]

16 Market Systems Analysis of the Food Service Sector for Employment Inclusion of Refugees in Egypt, ILO, 2023, Pg 3.

17 Interview with Marshall Bear August 2024, Economic Integration. Can It Work Better for Host and Refugee Communities?, Marshall Bear & Paul Joicey, October 2023.

4. Separate what the program can do versus what governments need to do and divide activities accordingly

Some constraints faced by forcibly displaced and host populations cannot be solved without government/policy change, particularly where refugees face legal restrictions on their status and ability to work. For example, "refugees can become cooperative members in some countries…while in others they can join, but cannot form a new cooperative."[18] That does not mean programs should abandon building self-reliance; rather, the approach needs to change, and expectations set with donors accordingly on what can realistically be achieved without policy change.

A dual-track intervention strategy may be needed, with advocacy and a plan for long-term solutions if and when policy change occurs, combined with an intermediate plan that includes creative workarounds to create opportunities for systemic change where possible in the near term. Some specific areas where this is likely to apply are:

- **Right to work:** If refugees cannot legally work, programs may need to focus entirely on informal markets, enterprises, and labor and understand the implications of this focus. Or programs may focus on the areas where refugees can work, such as the ILO supporting greenhouse-based horticulture in Lebanon because agriculture is one of the few sectors where refugees can legally work and over 90 percent of greenhouse workers are Syrians."[19]
- **Legally recognized IDs:** If displaced populations cannot obtain a formal ID, they may need local sponsors/guarantors to open accounts or purchase mobile phone and internet plans. For example, refugees in Kenya's Dadaab refugee camp can open collective online work accounts with UpWork, which enables them to accept payment for freelance services globally.[20]
- **Financial services prerequisites:** In addition to legally recognized IDs, most individuals need collateral, guarantors, proof of formal housing, or other documentation to access savings,

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18 Conducive Environment for Private Sector Development in Forced Displacement Contexts, ILO Session Outcome Memo, 18 October 2023, Pg. 1.

19 The Humanitarian Development Nexus in Action: A Review and Mapping of Market-Led Approaches in Forced Displacement Contexts, 16 May 2023, Pg. 29.

20 Marie Godin, Ishimwe Jean-Marie and Evan Easton-Calabria, Digital Refugee Economies in Nairobi: Opportunities and Challenges, Forced Migration Review Issue 73, May 2024, Pg. 56.

lending, and insurance services. Strategies to mitigate these challenges include finding local guarantors for credit or sponsors for informal savings and lending groups.

- **Property and housing rights:** Forcibly displaced populations living outside of camps may lack legal housing agreements and risk eviction. Without a home address, they often cannot access other services or address the three issues above. Many refugees in camps do not have a pathway to formal housing. Alternative proof of residency, such as local government certifications, may be an acceptable option.

PROGRAM EXAMPLES

The NRC Jordan partnered with Tamkeen, a Jordanian legal aid organization, to train legal teams in the Middle East on the role of legal aid providers in resolving workplace disputes. Recognizing that informality is a reality for many refugee workers, NRC created an open-source guide aimed at improving conditions and strengthening workers' positions without creating additional harm or risks. The guide was developed based on the direct experiences of refugee and Internally Displaced Person (IDP) workers.[21]

In Zimbabwe, Mercy Corps' CEDIS program focused on obtaining recognition and registration for informal waste-collection workers with the local government. In exchange for an annual fee, these workers are locally registered but not fully formalized or licensed. As informal waste collection is technically illegal in Zimbabwe, this local recognition is enough to reduce harassment from local authorities and give workers greater security.

5. Proactively identify, inform, and include priority program participants to ensure full participation

While market systems approaches generally rely on individuals and entrepreneurs to self-select their participation, ensuring full inclusion of forcibly displaced populations may require proactively informing potential participants of opportunities and encouraging them to participate. This is especially true when individuals do not have full rights and/or limited social connections with the host community and assume they are ineligible for most benefits.

[21] Maya Dalloul and Martin Clutterbuck, Workplace Negotiations Guide: Middle East & North Africa Region, Norwegian Refugee Council, July 2023.

This engagement should be extended, utilizing participatory methods, to include forcibly displaced and host populations, RLOs, local private sector, and local authorities in the design, implementation, and monitoring of programming. While this is also standard good practice, extra steps and care may be needed to ensure the different groups can participate in safe ways that maximize their input.

PROGRAM EXAMPLES

In 2019, Mercy Corps and the Women's Refugee Commission conducted a participatory assessment of energy access by vulnerable refugee and host community groups in Jordan. The assessment was implemented by local adolescent girls, who led the tool development and the data collection process, compiled findings to share with the research team, and presented back to community leaders.[22]

6. Partner with diverse, trusted intermediaries and localized networks to reach targeted groups

One of the keys to reaching priority participants and finding creative workarounds is to utilize trusted sources of information, networks, and intermediaries to extend information and services to participants. This requires looking beyond preconceived ideas of the private sector and system actors. In particular, RLOs, whether registered as non-governmental organizations (NGOs), businesses, or not registered at all, may play important roles in forcibly displaced communities as trusted sources of information and training, linkages to markets, and even direct employers. The type and level of formality of the RLO is less important than a demonstration that it has a clear incentive and capacity to provide ongoing support to its community.

Financial and legal barriers may complicate the process of partnering with RLOs. They may lack formal registration and access to bank accounts, and programs may need to shift internal procedures to partner with them. For example, NRC's Human Mobility Hub works to enhance civil society systems to ensure comprehensive assistance for people on the move. However, the limited legal documentation of these actors and stringent Know Your Customer (KYC) requirements can hinder the formalization of partnerships.

22 Inclusive Energy Access Handbook, Mercy Corps & the Women's Refugee Commission, 2020, Pg 30.

PROGRAM EXAMPLES

Resilience Action International (RAI), an RLO registered as an NGO in Kenya's Kakuma refugee camp, aims "to equip displaced youth with skills and tools to achieve greater economic potential" through vocational education, entrepreneurship, and reproductive health.[23] It also owns a profit-making enterprise, Okapi Green Limited, that provides solar electricity in Kakuma in a joint venture with Renewvia.[24] Profits from Okapi contribute to the funding for refugee services.

In the alternative energy PAYGo program in Uganda, Mercy Corps realized it was crucial for the Off-Grid Solar (OGS) Companies to manage service centers, distribution partners, and warehouses within the Bidi Bidi refugee camp to create an affordable, sustainable last-mile distribution system that reached refugees. OGS suppliers recruited sales agents from local VSLAs since they knew the area and local customer base well and could access female consumers.[25]

7. Build new linkages where necessary to bridge gaps in the system

More linkages and layers of intermediaries may also be necessary to connect refugees to markets where they cannot engage in the same way the host community can, for example, pairing refugee and host community entrepreneurs to form joint businesses. However, care must be taken when implementing these activities as there is the potential for exploitation if one business partner has all the power and legal rights. On the other hand, displaced entrepreneurs can also help host community businesses access new markets, such as Syrian entrepreneurs in Türkiye who have introduced their business partners to export opportunities in the Middle East and North Africa.[26]

A critical step may be connecting refugees to the informal or "hidden" networks that host community members can access. For example, RLOs in the Middle East cite that the key to expanding opportunities is to get into the right Whatsapp or Telegram group.

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23 resilienceaction.net/about-us

24 Renewvia launches joint venture with Okapi Green Energy Ltd. to deliver clean and affordable energy to Kenya's refugees - The Alliance for Rural Electrification, 2 February 2023.

25 Cecilia Ragazzi and Emmanuel Aziebor. One Year On: Paying for Darkness, Mercy Corps, January 2021.

26 Turkish-Syrian Business Partnerships - A Nascent Opportunity, Building Markets, June 2018.

PROGRAM EXAMPLES

In Türkiye, as part of its small business support program, Building Markets holds matchmaking events for Syrian refugee and Turkish host community SMEs to showcase their products and services, enabling them to meet potential business partners and expand their networks.[27]

In Brazil, UNHCR has partnered with Brazilian companies to hire refugees and Brazilian banks to offer loans. The dedicated Refugiados Empreendedores online platform provides specific information on the loan requirements and terms for each bank, the process, and relevant contact information.[28]

It may also be necessary to create new services and/or enterprises to fill gaps in the market system after fully analyzing why those gaps exist. Simply connecting host community market actors with displaced buyers, suppliers, or workers does not always result in sustainable service provision if there are additional constraints. For example, a labor market study of Ukrainian refugees in Poland found that "in Ukraine, people primarily got a job thanks to acquaintances or started a job after graduation and have not changed it since. Many Ukrainians do not have much experience with the recruitment process, as evidenced by application documents prepared by refugees. Most CVs sent by Ukrainians are immediately rejected because they are not well prepared."[29] This indicates the need for job search assistance in addition to recruiting information sites.

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27 SME Snapshot: Small Business Support Services: What Drives Business Growth and Job Creation? Building Markets, May 2024.

28 Refugiados Empreendedores

29 Ukrainian refugees on the Polish labor market: An assessment of the conflict-affected population in Poland as of mid-2023, Mercy Corps, January 2024, Pg. 19.

PROGRAM EXAMPLES

When the SHARPE program was designed, it anticipated that it would work with around 15 partners - larger market actors who had the resources to invest in reaching scale and who could leverage broader systems change. However, SHARPE's initial poultry partner, a national, fully integrated poultry firm, determined that market diversification into more remote markets did not make business sense. SHARPE then sought out regional and local businesses that could, with SHARPE support, become the poultry hubs that existed elsewhere in the country but not in refugee-hosting market towns. As of July 2024, SHARPE was working with more than 200 partners across all of its subsectors of engagement.

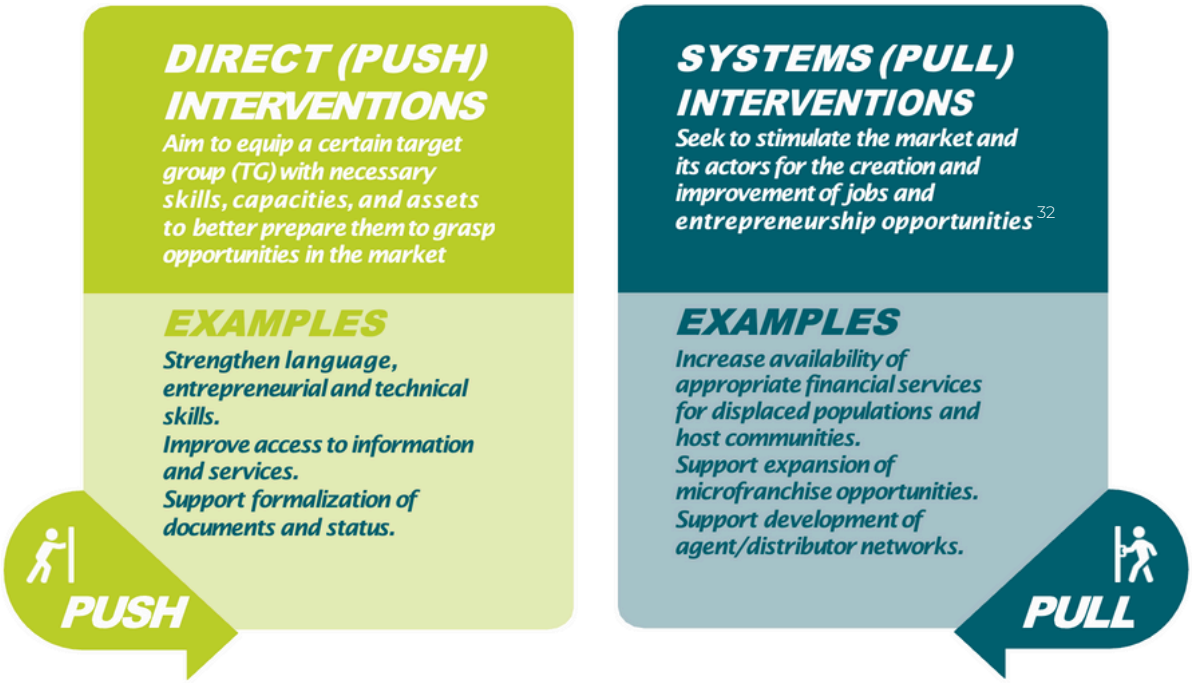
In 2019, VisionFund Uganda, a microfinance network, opened a branch office in Moyo, West Nile, to provide loans to refugees and host communities. VisionFund Uganda provides umbrella loans to existing refugee savings and loan groups with the capacity to take on larger investments, many of which were previously set up by NGOs. This system creates the crucial intermediary link to connect refugees to formal financial services. The branch is staffed by field officers recruited from both host and refugee communities to build trust and networks.[30]

8. Combine direct activities with system-level interventions to ensure inclusion

In some contexts, it is most effective to combine systems-level interventions with targeted direct activities (also called push activities) to overcome the specific challenges keeping displaced populations from engaging in those systems.[31] This direct support may aim to replace productive assets lost, complete locally required documentation, and overcome language and cultural barriers. Preferably, these targeted interventions either set up systemic solutions or provide one-off activities if the need is bound to a particular period or specific group of individuals. In addition, as noted above, many forcibly displaced populations have experienced psychosocial issues that impede their livelihood opportunities. Enabling their economic activity may require linking to programs that offer direct psychosocial services.

30 Uganda Savings Loans | VisionFund

31 Market system development programs traditionally avoid direct interventions, instead partnering with market actors to facilitate system-level change. While this approach can lead to significant scalable and sustainable change, it can mean specific groups, especially marginalized individuals, do not benefit.



PROGRAM EXAMPLES

To address discrimination and housing insecurity faced by IDP renters in urban Mogadishu, the Integration Rental Services Program provides rental subsidies to IDPs facing imminent eviction, along with tailored livelihoods programming and assistance to obtain legal IDs and written lease contracts. The Benadir Regional Administration Durable Solutions Unit (BRA-DSU) also "supports better community and landlord engagement, including facilitating security vetting processes and witnessing the signing of lease contracts."[33]

PILnet maintains the global Refugee Led Clearinghouse, an online portal to connect RLOs to pro-bono legal services from lawyers who understand the specific issues they face. PILnet "brokers legal assistance specifically for organizations, associations, clinics, other entities or legal service providers who support, protect, and find solutions for refugees and other forcibly displaced."[34]

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32 Push/Pull diagram adapted from Designing and Implementing Market-Led Interventions in Forced Displacement Settings: A Brief Guide on How To Use the ILO's Approach to Inclusive Market Systems (AIMS) for Refugees and Host Communities, ILO, 2024, Pg. 7.

33 Chun Yu Ng, Unlocking Urban Resilience Through Housing Solutions in Somalia, Daanwadag Durable Solutions Consortium, July 2024.

34 pilnet.org/access-legal-help

Conclusion

As more regions face crises and more people are displaced for long periods, the need for both refugee-focused agencies and broader aid and development organizations to find sustainable ways of helping forcibly displaced populations and the communities that host them adapt to their circumstances becomes ever greater. At the same time, recovery and development programs have consistently demonstrated that systems-based approaches can succeed in any context. All market systems programming requires identifying specific constraints and then facilitating positive systemic change to enable long-term, scalable solutions.

To ensure these programs are inclusive of forcibly displaced populations, it is just as important to understand WHO is being reached as HOW systems should change. It requires segmenting forcibly displaced and host populations to understand their different needs, opportunities, and market-readiness levels. It also requires thinking more creatively about their specific challenges, particularly in areas such as legal barriers and safety considerations, and avoiding blanket solutions for the whole population. It may require working with non-traditional actors who are viewed as trusted and "safe" by forcibly displaced populations. Programming may also need to combine complementary systems-level and direct interventions to address particular constraints faced by specific groups and ensure market access is fully inclusive. While these elements may add time and additional steps to the change process, the programs highlighted in this document have proved that inclusive market systems approaches can be successfully utilized to help both forcibly displaced populations and host communities gain sustainable livelihoods and achieve self-reliance.

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Further Resources

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