Securing solutions to forced displacement through socio-economic inclusion

UNHCR prioritizes solutions to the forced displacement of Colombians in their own country, as well as refugees residing in Colombia

A Sustainable and Cost-Efficient Approach to Socio-economic Inclusion

UNHCR Colombia has intensified its focus on reducing vulnerabilities and fostering long-term inclusion by investing in livelihoods and expanding the reach of public policies. These efforts are not only essential for the well-being of victims of forced displacement, but also yield significant economic and social benefits for host communities. With such investments UNHCR is able to demonstrate that the integration of forcibly displaced populations is both a humanitarian imperative and a strategic approach to national development. This is done through:

- ✓ Securing the registration and actual issuance of temporary stay permits valid till 2031 for refugees and migrants from Venezuela.
- ✓ Expanding employment and employability of internally displaced persons and refugees.
- ✓ Widening the financial inclusion of internally displaced persons and refugees.

UNHCR's initiatives contribute to community resilience, reducing irregular onward movements, and promoting long-term stability to uprooted populations, thereby ensuring a sustainable and cost-efficient response to displacement challenges.

1,321
financial products

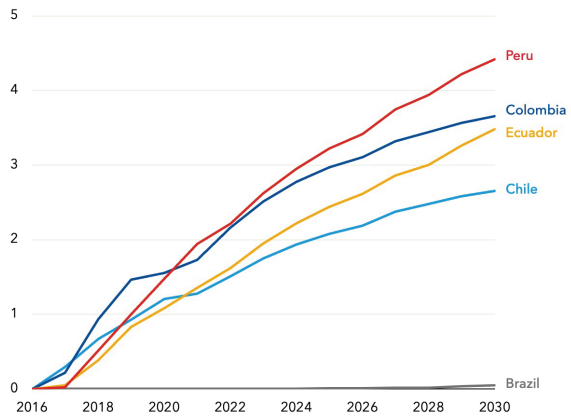
195
participants secured formal jobs

638
individuals completed vocational training

**In 2024*

The Multiplier Effect: Economic Contributions and Increased Tax Revenues

Potential economic gains
Investing in integrating migrants has the potential to increase GDP in host countries by up to 4.5 percentage points by 2030.
(economic impact of Venezuelan migration in percent of GDP)



Sources: Flexible System of Global Models simulations; and IMF staff calculations.

IMF

When refugees and internally displaced persons gain access to financial services, skills training, and formal employment opportunities, their economic contributions multiply, benefiting their entire community and more widely, their host country. A well-integrated workforce increases productivity, stimulates local markets, and generates higher tax revenues. Studies, including those conducted by the World Bank, highlight that economic inclusion fosters social cohesion and drives sustainable development.

Well-designed integration policies generate measurable and positive economic outcomes for host countries. As illustrated in the following graph, the integration of Venezuelans has the potential to increase Colombia's GDP by approximately 3.5 percentage points by 2030, reflecting the long-term economic benefits of such investment.

Financial Inclusion: A Key Driver of Economic Integration

Access to financial services is a prerequisite for formal employment and business development, yet it remains a challenge for refugees and migrants in Colombia. Currently, only 28.8% of Venezuelan refugees in Colombia have a savings account, and just 4% have access to credit. Without financial inclusion, their ability to secure stable employment and start businesses is significantly hindered, perpetuating cycles of informality and vulnerability.

Recognizing this gap, UNHCR has facilitated the opening of 1,321 financial products in 2024, enabling forcibly displaced individuals to integrate into the formal economy. Additionally, UNHCR engaged with banks to increase their recognition of the Temporary Protection Permit document and thereby broaden access to banking services for Venezuelan refugees. Financial inclusion empowers forcibly displaced populations and strengthens local economies by increasing consumer spending and tax contributions.

Skills Certification and Training: Pathways to Employment and Entrepreneurship

Refugees and migrants often struggle to validate their foreign degrees and work experience, limiting their access to jobs that match their skills. As a result, many are pushed into the informal sector, where they face low wages, precarious conditions, and a lack of social protection. This affects their economic security and limits their contributions to the formal economy.

To address this challenge, UNHCR has supported skills certification programs that have improved employment prospects for 1,241 Venezuelans, while 638 individuals have completed vocational training. In 2024, 195 participants of UNHCR economic inclusion programs secured formal jobs, enhancing their economic stability. These scalable initiatives enable forcibly displaced populations to achieve self-reliance and ultimately contribute their full potential to economic growth.

The private sector also plays a crucial role in promoting economic inclusion. UNHCR works with companies to support forcibly displaced populations by offering formal employment, integrating them into supply chains, and fostering entrepreneurship through access to credit, microloans, and business training. These efforts benefit forcibly displaced individuals and contribute to Colombia's labour market needs and economic growth.

Conclusion: A Long-Term Vision for Inclusion and Stability

Achieving the full benefits of socioeconomic inclusion and self-reliance requires sustained political commitment, multi-year financial investments, and strategic partnerships. Integration is a critical process that enables forcibly displaced populations to actively contribute to their host countries.

The innovative Joint Initiative between UNHCR and the International Finance Corporation (IFC) in Colombia and other countries exemplifies the shift from traditional humanitarian assistance to sustainable programming, emphasizing the need for long-term planning and predictable funding. By integrating refugees and IDPs into national systems and labor markets, Colombia is fostering resilience, promoting economic stability, and ensuring that forcibly displaced populations, be they internally displaced due to conflict or refugees from other countries, can rebuild their lives with dignity.