The livelihoods of forcibly displaced persons (FDPs)

A global evidence review

Nicholas Crawford and Kerrie Holloway

April 2024
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Acknowledgements

The authors would like to thank the IKEA Foundation for generously funding this research. The authors are grateful for the comments and advice of everyone who took the time to be consulted for this work. Alex Spencer provided invaluable research support on the financing section. Thank you also to Alesia O’Connor and Chiara Valenti of the Internal Displacement Monitoring Centre (IDMC) and Line Kristel Astrom of the UN Refugee Agency (UNHCR) for their comments and suggestions during the peer review process. Caitlin Sturridge also provided comments on an early draft. The study could not have been completed without the support of Clem Bruce for project management and Sara Hussain and Jessica Rennoldson for editing, design and production.

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Acronyms

ACMI  Africa Climate Mobility Initiative
CAR  Central African Republic
DAC  Development Assistance Committee
DRC  Democratic Republic of the Congo
DSI  Durable Solutions Initiative
EU  European Union
FDP  forcibly displaced person
GCFF  Global Concessional Financing Facility
HPG  Humanitarian Policy Group
IASC  Inter-Agency Standing Committee
IDA  International Development Association
IDMC  Internal Displacement Monitoring Centre
IDP  internally displaced person
IFC  International Finance Corporation
IOM  International Organization for Migration
ND-GAIN  Notre Dame-Global Adaptation Index
OCHA  (UN) Office for the Coordination of Humanitarian Affairs
OECD  Organisation for Economic Co-operation and Development
OPT  Occupied Palestinian Territories
Re:Build  Refugees in East Africa: Boosting Urban Innovations for Livelihoods Development
RP  Response Plan
SEZ  special economic zone
SHARPE  Strengthening Host and Refugee Populations in Ethiopia
SMILES  Sustainable Market Inclusive Livelihood Pathways to Self-Reliance Program
UN  United Nations
UNHCR  UN Refugee Agency
US  United States of America
WFP  World Food Programme
WHR  Window for Host Communities and Refugees
1 Numbers and trends of displacement

Displacement globally has been rising steadily for the past decade and shows no signs of slowing. By the end of June 2023, the United Nations Refugee Agency (UNHCR) (2023a) reported that 110 million people had been forcibly displaced. The Danish Refugee Council (2023) forecast that another 6.2 million people were likely to be displaced in 2023 and 2024. That number has already proven to be a significant underestimate: by the end of 2023, conflict in Sudan had displaced an additional 6.7 million people, while conflict in Gaza had displaced 1.5 million and the Democratic Republic of the Congo (DRC) saw another one million internally displaced during the first six months of the year (OCHA, 2023a; 2023b; IOM, 2023).

At the same time, displacement is stubbornly protracted, and ‘durable solutions’ to displacement – integration, third-country resettlement or repatriation/relocation – remain elusive. Almost three in every four refugees are in situations of protracted displacement (Beltramo et al., 2023). In this context of protracted displacement, it is imperative to support forcibly displaced persons (FDPs) to establish and sustain viable livelihoods (see Box 1). This not only enhances their own self-reliance,¹ as well as the vitality of their local communities, but it also serves as a critical measure to bridge the persistent funding gap present in nearly every humanitarian response worldwide.

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Box 1 Defining forced displacement and livelihoods

Various definitions or interpretations of forced displacement exist. UNHCR in 2007 described forced displacement as occurring ‘when individuals and communities have been forced or obliged to flee or to leave their homes or places of habitual residence as a result of or in order to avoid the effects of events or situations such as armed conflict, generalized violence, human rights abuses, natural or man-made disasters, and/or development projects’ (UNHCR, 2007). UNHCR’s annual Global trends reports refer to people ‘forcibly displaced as a result of persecution, conflict, violence, human rights violations and events seriously disturbing public order’ (UNHCR, 2023b). The International Organization for Migration (IOM) defines displacement as ‘the movement of persons who have been forced or obliged to flee or to leave their homes or places of habitual residence, in particular as a result of or in order to avoid the effects of armed conflict, situations of generalized violence, violations of human rights or natural or human-made disasters’ (IOM, n.d.). This paper will use the term forcibly displaced person in the sense of the IOM definition and indicates, when relevant, the specific cause(s) of displacement.

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¹ ‘Self-reliance’ is used here to encompass not only the ability to provide for oneself economically, but also agency and control over decision-making.
As with ‘forced displacement’, various definitions or interpretations of livelihoods also exist. This paper uses Chambers and Conway’s definition: ‘A livelihood comprises the capabilities, assets (stores, resources, claims and access) and activities required for a means of living: a livelihood is sustainable which can cope with and recover from stress and shocks, maintain or enhance its capabilities and assets, and provide sustainable livelihood opportunities for the next generation; and which contributes net benefits to other livelihoods at the local and global levels and in the short and long term’ (1992: 6).

This Global evidence review draws together different data sets and information – from the numbers, drivers and locations of displacement to the types of livelihoods interventions used in displacement contexts and how they are financed – to provide a comprehensive picture of the displacement livelihoods landscape. It is one component of a three-part research project undertaken by the Humanitarian Policy Group (HPG) on behalf of the IKEA Foundation, with the other two components being a case study on internally displaced persons (IDPs) and returnees in Mogadishu, Somalia, and a policy brief on funding livelihood interventions (Crawford and Holloway, 2024; Crawford et al., 2024).

The project delves into the state of displacement around the world, with a particular focus on the types of external investments that contribute to lasting and sustainable livelihoods for FDPs, including refugees, IDPs, asylum seekers, returnees and those displaced directly or indirectly because of climate change. While the data presented in this chapter includes each of these populations, the evidence on livelihoods remains largely concentrated on refugees, and to some extent IDPs, whether they have been displaced by conflict and violence or by climate change. In some countries, this also includes asylum seekers, but not always, and it is not always clear whether it does or not. Returnees are largely ignored in the literature.

1.1 Numbers and drivers of displacement

The traditional drivers of displacement have been conflict and natural hazard-related disasters. More recently, climate change has exacerbated slow- and sudden-onset disasters and, in some places, has been a factor contributing to violence and conflict – both of which cause displacement. While it is often hard to identify a single trigger for displacement, this section will attempt to disentangle them (as far as this is possible) and provide rough estimates on the number of FDPs related to each.

1.1.1 Conflict, violence and persecution

Conflict and other forms of violence and persecution have regularly stood out as the main driver of displacement and the only driver that is currently reported on by UNHCR. According to UNHCR, 2022 saw a record high of 108.4 million FDPs due to ‘persecution, conflict, violence, human rights violations and events seriously disturbing public order’, representing an increase of 19 million from the previous

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2 For more information on UNHCR’s methodology, see www.unhcr.org/refugee-statistics/methodology.
annual record high that was reached in 2021 (UNHCR, 2023b). Over the past decade, one striking trend is that more than half of FDPs consistently fall under the category of IDPs. This means that, at the end of June 2023, 62.5 million of the 110 million FDPs were IDPs (UNHCR, 2023a; see Figure 1).

**Figure 1** Population of conflict-induced FDPs 2012–2022

![Population of conflict-induced FDPs 2012–2022](source: UNHCR, 2023c)

1.1.2 Natural hazard-related disasters

The second main driver of displacement has been natural hazard-related disasters, which typically result in people being displaced within their own countries for short periods of time. According to the Internal Displacement Monitoring Centre (IDMC), 32.6 million internal displacements occurred in 2022 due to disasters – of which roughly 8.7 million people (spread over 88 countries and territories) remained displaced at the end of the year (IDMC, 2023).

Disaster-related displacement is commonly attributed to fast-onset events, such as earthquakes, tsunamis or floods. Characterised by their sudden and immediate impact, these events are assumed to lead to primarily temporary internal displacements.

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3 IDMC’s methodology distinguishes between the number of internal displacements throughout the year, which may include individuals who have had to move more than once, and the specific count of individuals residing in internal displacement at the year’s end.
Slow-onset disasters also lead to displacement, which also tends to be internal, but it can last for longer periods of time. Some of these, like droughts, are often labelled as ‘disasters’, while others – which may be just as disastrous for those affected – are seen more as degradation or change because they evolve over weeks, months or even years. These include sea-level rise, desertification, rising temperatures, land and forest degradation, glacial retreat, thawing permafrost, ocean acidification, etc. – all of which may result in untenable living arrangements for people who are forced to move to find food, water and livelihoods (IOM, 2020).

### 1.1.3 Climate change-induced displacement

In more recent decades, climate change has increased the frequency and intensity of natural disasters such as flooding and drought that cause displacement. Extreme temperatures and rising sea levels associated with climate change likewise cause displacement. Unlike disaster-related displacement, climate-induced displacement tends to be slow-onset and is likely to be more protracted or permanent.

Several groups have undertaken statistical modelling exercises to project the number of people who may be displaced due to climate change in the coming decades – sometimes resulting in alarming figures that have been picked up and disseminated widely in the mainstream press. The Institute for Economics and Peace predicted that 1.2 billion people could be at risk of being displaced by climate-related events by 2050 – a forecast that was published by the World Economic Forum and Politico, among others (IEP, 2020; Ida, 2021; Özdemir, 2023). This number, however, is based on calculations that used the total population of countries deemed to have insufficient ‘societal resilience’ to ‘withstand the impact of their ecological threats between now and 2050’, rather than a more modest subset of the population that could be at risk of displacement (IEP, 2020).

More conservative numbers have been projected by the World Bank, which estimated that up to 216 million people may be displaced internally by 2050 (Clement et al., 2021). The Africa Climate Mobility Initiative (ACMI), using similar forecasting models as the World Bank, suggests that up to 5% of the two billion people who live on the African continent – or 100 million people – could be displaced due to climate change by 2050. At present, ACMI estimates that about 1.5% of Africa’s population – or 30 million people – have been forced to move due to climate impacts (Amakrane et al., 2023).

Importantly, the more nuanced climate-displacement estimates have stressed that most people will move within their own countries’ borders. Indeed, according to the ACMI forecasts, climate mobility is likely to be responsible for only up to 10% of all cross-border migration in Africa (ibid.). This claim counters some alarmist reports of massive numbers of ‘climate refugees’ arriving in high-income countries (Taylor, 2017; Özdemir, 2023). It also supports findings that most people who move due to climate change undertake short-distance movements and engage in adaptations to protect their lives and livelihoods (Sturridge and Holloway, 2022).

Not all people adversely affected by climate-related events will move within their own countries or across borders as refugees. Rikani et al. (2023) have hypothesised that climate change has actually...
hampered migration because it has reduced economic growth in low-income countries, leaving people ‘too poor to move’. Indeed, often those who do not move – or cannot move – will be the most vulnerable to climate shocks (Huckstep and Clemens, 2023). Yet little empirical evidence exists as to where and to what extent this is happening globally (Zickgraf, 2019).

### 1.2 Locations of displacement

In 2022, over half of refugees originated from just three countries (Syria, Ukraine and Afghanistan) and almost 9 in 10 originated from just 10 countries (UNHCR, 2023b). Similarly, almost three-quarters of IDPs globally originated from and lived in only 10 countries in 2022 (IDMC, 2023).

#### 1.2.1 Countries hosting FDPs

More than three in every four refugees were hosted in low- and middle-income countries in 2022 (UNHCR, 2023b). The proportion of refugees and IDPs originating from – and finding refuge in – middle-income countries has increased in recent years, driven by large-scale displacement in and into Colombia, from Ukraine and into Türkiye. Fragile, conflict-affected, climate-exposed and low-income countries, however, still represent most protracted displacement settings globally, and they are likely to continue to host a disproportionate number of FDPs (Danish Refugee Council, 2023; see Table 1). These fragile contexts of displacement are also likely to be in the greatest need of external humanitarian and development assistance in the coming years.

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4 The top 10 countries of origin for refugees were Syria, Ukraine, Afghanistan, South Sudan, Myanmar, DRC, Sudan, Somalia, Central African Republic and Eritrea – each with more than 500,000 refugees in 2022 (UNHCR, 2023c).

5 The top 10 countries of origin for IDPs were Syria, Afghanistan, DRC, Ukraine, Colombia, Ethiopia, Yemen, Nigeria, Somalia and Sudan – each with more than 3.5 million IDPs in 2022 (IDMC, 2023).
Table 1  Top 10 countries hosting forcibly displaced persons (FDPs) in 2022

<table>
<thead>
<tr>
<th>Country</th>
<th>Income class</th>
<th>Number of FDPs</th>
<th>Proportion of FDPs who are refugees</th>
<th>FDPs as proportion of country’s population</th>
</tr>
</thead>
<tbody>
<tr>
<td>Colombia</td>
<td>Upper middle</td>
<td>9,835,176</td>
<td>30.28%</td>
<td>18.88%</td>
</tr>
<tr>
<td>Syria</td>
<td>Low</td>
<td>7,967,480</td>
<td>8.63%</td>
<td>34.30%</td>
</tr>
<tr>
<td>DRC</td>
<td>Low</td>
<td>7,291,956</td>
<td>7.14%</td>
<td>7.13%</td>
</tr>
<tr>
<td>Ukraine</td>
<td>Lower middle</td>
<td>6,450,525</td>
<td>0.04%</td>
<td>16.37%</td>
</tr>
<tr>
<td>Ethiopia</td>
<td>Low</td>
<td>5,492,562</td>
<td>16.01%</td>
<td>4.34%</td>
</tr>
<tr>
<td>Sudan</td>
<td>Low</td>
<td>4,697,669</td>
<td>23.35%</td>
<td>9.76%</td>
</tr>
<tr>
<td>Yemen</td>
<td>Low</td>
<td>4,613,727</td>
<td>1.68%</td>
<td>13.37%</td>
</tr>
<tr>
<td>Türkiye</td>
<td>Upper middle</td>
<td>3,841,034</td>
<td>92.90%</td>
<td>4.48%</td>
</tr>
<tr>
<td>Afghanistan</td>
<td>Low</td>
<td>3,637,954</td>
<td>1.43%</td>
<td>8.61%</td>
</tr>
<tr>
<td>Somalia</td>
<td>Low</td>
<td>3,612,595</td>
<td>0.44%</td>
<td>19.91%</td>
</tr>
</tbody>
</table>

Source: UNHCR, 2023c; UNRWA, 2023; World Bank, 2023a

For IDPs displaced due to natural hazard-related disasters, the 10 countries with the largest displaced populations in 2022 were Afghanistan, Pakistan, Nigeria, Ethiopia, South Sudan, the United States of America (US), the Philippines, Kenya, DRC and Sudan (IDMC, 2023).

In terms of climate change-induced displacement, the countries that are most susceptible are those facing the greatest risks of climate change but without the resources to deal with its impacts, rather than merely the countries facing the most severe climate impacts. According to the Notre Dame-Global Adaptation Index (ND-GAIN), the 10 countries that are most vulnerable to climate change are Chad, the Central African Republic (CAR), Eritrea, the DRC, Guinea-Bissau, Sudan, Afghanistan, Somalia, Liberia and Mali (Notre Dame Global Adaptation Initiative, n.d.). While it is impossible to predict future patterns of climate change-induced displacement, this type of index gives the best indication of where displacement might occur.

Figure 2 identifies several countries where overlapping vulnerabilities have created – and will likely continue to create – complex and protracted displacement situations in the coming decades. The graphic overlays the top 10 countries hosting FDPs who have fled conflict, violence and persecution; the top 10 countries for IDPs displaced by disasters; and the top 10 countries that are vulnerable to climate change and will struggle to respond to its impacts, as outlined above.
Note: This figure speaks to the overlapping vulnerabilities faced by many geographies, but it shows only overlaps across the top 10 countries in each category. There is considerable overlap that extends beyond the countries listed here.

**Camps vs urban areas**

Most FDPs live in urban areas – roughly 60% of both global refugees and IDPs are in cities (Park, 2016; Vos and Dempster, 2021; UNHCR, 2023b). This reality contrasts with the widely held assumption that most displaced people live in camps – often depicted in the media with rows of tents in an isolated and barren landscape. Indeed, the greatest proportion of refugees and IDPs live outside camps: just 22% of refugees live in camps, and only 12% of IDPs live in managed camps or informal, camp-like settlements (Easton-Calabria et al., 2022; Earle, 2023; UNHCR, 2023d).
The movement of refugees and IDPs to urban areas mirrors overall urbanisation trends, which have seen the percentage of the world’s population living in cities rise from 37% to 56% over the past five decades (World Bank, 2023b). It can also result in overcrowded, poorly serviced urban areas in places like Nairobi, Mogadishu, Kabul or Islamabad where a mix of different types of migrants and FDPs struggle to support themselves and their families together with their urban neighbours. For refugees, moving to an urban area is not always legal and can open them up to compounding vulnerabilities and challenges, even if they often move for livelihood opportunities that are often lacking in rural areas. Moreover, migration is not fixed – refugees often travel back and forth between urban areas where they can find jobs, and camps where they receive aid, to make ends meet (Manji, 2020; Vancluysen, 2022).
2   Supporting livelihoods in displacement

The record of international efforts to support livelihoods in displacements is mixed at best. The impact of efforts to encourage more welcoming national policy and legal frameworks – spurred by the New York Declaration for Refugees and Migrants in 2016 and the subsequent Global Compact on Refugees in 2018 – is not yet clear. More recent and ongoing work to measure and document what kinds of intervention work for refugees and IDPs have pointed to some promising approaches, but the evidence base of good practices is still incomplete.

2.1   Historical summary of livelihood interventions

Livelihoods interventions have been part and parcel of the humanitarian response since the 1960s and 1970s when UNHCR responded to large-scale cross-border displacement in Africa by establishing agricultural settlements that it hoped would quickly become self-sufficient (Crisp, 2003).* These early settlement schemes faltered, in part because little investigation went into where to place them and, for at least some, ‘the land was not fertile enough to sustain long-term farming activities’ (Zamore, 2018: 34). Instead, the agency – along with others like the World Food Programme (WFP) – found itself stuck in a cycle of meeting refugees’ basic needs in increasingly protracted displacement (Crisp, 2003).

During the 1980s, refugee livelihoods were supported through an approach known as ‘Refugee Aid and Development’, which saw UNHCR and host governments use development assistance to promote self-sufficiency and local integration among refugees through vocational training programmes, microloans and other livelihood interventions (Betts, 2009; Zamore, 2018). By the late 1990s, humanitarian actors – not just development actors – began to acknowledge the need to better understand livelihoods in conflict-affected and fragile contexts (Stites and Bushby, 2017).

During this period, the concept of IDPs – that people could be displaced within their own country’s borders and have particular needs and vulnerabilities that would not be met by their own state – became better understood. This was in part driven by the drastic increase in IDPs, from only 1.2 million in 11 countries in 1982 to more than 20 million in about 40 countries in 1997 (Cohen and Deng, 1998). In 1998, the ‘Guiding principles on internal displacement’ were presented to the UN Commission on Human Rights. These principles serve as a global reference for IDPs’ rights and protection. While they do not provide specific guidance on livelihood interventions, they enumerate IDPs’ rights, including the right to an adequate standard of living (Principle 18) (Deng, 1998).

Refugee livelihoods returned again to the forefront of UNHCR’s agenda in the early 2000s, as levels of aid to protracted situations declined to a point where the agency could no longer meet refugees’ minimum needs and donors sought to further reduce what they perceived as open-ended, and

6 ‘Self-sufficient’ is used here, in contrast with ‘self-reliant’ (see footnote 1), to denote the sole aim of no longer requiring humanitarian assistance.

The pressure to reduce humanitarian funding and encourage self-sufficiency continued through the mid-2010s as the extent and duration of protracted displacement crises – and their associated costs – became better understood (Crawford et al., 2015; World Bank, 2017). During this period, frameworks like the Inter-Agency Standing Committee (IASC) 2010 Framework on Durable Solutions for Internally Displaced Persons were introduced, emphasising the significance of addressing the long-term needs and self-reliance of IDPs and contributing to the ongoing discourse on durable solutions.

At the same time, many refugees and IDPs continued to need life-saving support, and the inflexibility of humanitarian funding streams – unpredictable, and awarded on short-term time frames – meant that meaningful shifts towards interventions to build sustainable livelihoods were unachievable (Stites and Bushby, 2017). This paradox – allocating funds to foster self-sufficiency for FDPs because of a lack of funding for humanitarian responses, or not funding livelihood interventions because of a decrease in humanitarian resources, leading to increased assistance needs – continues to confound the humanitarian system.

The past decade has been characterised by a renewed commitment to improving the policy environment, seen both in the outcomes of the Global Compact on Refugees and in the recent push by the UN Secretary-General to elevate attention to IDPs, though there remains a lack of clarity and accountability on the roles and responsibilities for situations of internal displacement among international actors (Cantor and Sánchez-Mojica, 2023; Sida et al., 2024). Simultaneously, the aid community – influenced by trends in social science and development research, as well as donor accountability and budgetary pressures – has (re)committed itself to rigorously seeking evidence for what interventions work to support livelihoods in displacement and to measure the impact of those activities. The outcomes on both these commitments are not yet clear: changing international aid practices and national policies, and measuring the impacts of those changes, are longer-term endeavours. New efforts to build an evidence base for livelihoods support projects are still at an early stage. Real-world examples of success, particularly in displacement settings (as detailed in the following sections), remain limited.

2.2 Individualised approaches to livelihoods in displacement

The most common and time-worn interventions to support livelihoods in displacement are aimed at individuals – providing training or other forms of investment to encourage a path towards self-sufficiency. In large part, this has been due to many organisations’ and agencies’ focus on targeting the most ‘vulnerable’ people, even if that means ignoring those who are most likely to benefit from interventions or succeed in gaining employment. Jacobsen (2002), writing over two decades ago, noted that the traditional tendency was to focus on income-generating projects, which included providing resources and training for agriculture, service provision and trade livelihoods as well as (less frequently) microfinance programmes. Not much has changed in the ensuing years. Most projects continue to focus on:
• building human capital (e.g. vocational and skills training, job matching/skills recognition, language training, psychosocial support)
• building financial capital (e.g. unconditional or conditional cash transfers, microfinance)
• graduation approaches that integrate both human and financial capital (see Appendix 1).

2.2.1 Track record of individualised approaches

Increasingly, individualised approaches to livelihoods programming have come under scrutiny, and the assumption that supporting displaced people in any income-generating activity will lead to self-reliance is being challenged. Reviews of projects and evidence over the past decades have revealed a track record of mostly unconvincing projects:

When it comes to more direct interventions to support self-reliance and livelihoods, such as vocational training and income generating projects supported by grants and loans, the research literature reveals a panoply of small-scale uncoordinated and unsustainable interventions, mostly implemented by the humanitarian arms of aid agencies, with inadequate technical and managerial expertise, poor links to markets and short-term and unreliable funding (Crawford et al., 2015: 2).

In 2020, Schuettler and Caron stated that ‘the track record of “skills only” interventions is not promising’ (p. 26). A recent scoping report similarly found few success stories among discrete skills and business interventions (Benrey and Kenny, 2023). Overall, evidence from various descriptive and qualitative studies found business skills training programmes to be either unsuccessful at helping refugees find jobs or not cost-effective (Schuettler and Caron, 2020).

Looking more holistically at the economic assumptions underpinning these types of interventions, Zaman (2018: 9) noted that in protracted displacement settings, ‘the proposition that championing entrepreneurship and the liberalisation of markets can address the challenges of precarious livelihoods must elicit a strong dose of scepticism’. Indeed, the record on interventions to encourage micro- or small-enterprise development – often through microfinance (small grants or loans to help build small businesses) – among FDPs is not strong (Schuettler and Caron, 2020; Benrey and Kenny, 2023). Although these small injections of financial capital can help start businesses, these microenterprises often fail due to the inability of the market to support them or due to a mismatch between the businesses started and the needs of the market. Moreover, microfinance schemes face additional challenges in displacement settings, as refugees and IDPs may not have access to financial systems, and, particularly for refugees, the perceived temporariness of their stay may make loan repayments difficult (Schuettler and Caron, 2020).

Some small, individualised skills-development trainings may be successful (e.g. in the information technology sector), but more often they fail because they do not consider how many people can do the same livelihood in a particular area, or how these livelihood activities affect members of the host community who practise the same vocation (Nutz, 2017). Nor are they systematically linked to the
market and the demand side in terms of what skills are needed (Manji and de Berry, 2019). They also will never compensate for restrictive policy environments where refugees and IDPs do not have the right to work or to move freely.

Other individualised approaches that have received little to no analysis but have anecdotally been shown to be successful in some areas are those led by displaced people themselves. For example, refugee-led savings groups offer refugees the opportunity to access microfinance for creating and sustaining livelihoods in Kampala, Uganda (Easton-Calabria and Hakiza, 2020). In Adama, Ethiopia, a rotating savings and credit association known as Equb helps IDPs expand business and gain economic empowerment (Easton-Calabria et al., 2021). Hope for Children and Women Victims of Violence in Kampala and the Community Empowerment and Self-Support Organization in Nairobi, Kenya, offer more traditional livelihoods programmes for women and lesbian, gay, bisexual, transsexual and intersex refugees respectively (Betts et al., 2018). Similar initiatives exist for refugees in Jordan and Lebanon as well as for IDPs in Colombia (El Abed et al., 2023; IDMC; n.d.). Refugee-led organisations have also been touted as an opportunity for job creation and skill building among the displaced people who are employed by them (Alrustm and Kallas, 2023).

### 2.2.2 Individualised approaches with some promise

Cash transfers have well-documented, positive effects on displaced people’s mental and physical wellbeing in displacement, as well as ‘increasing access to clean water and healthcare[...], reducing negative coping strategies and lifting barriers to school enrolment for displaced children’ (Kenny and Lawton, 2023). They have been used to meet immediate needs for decades, but ‘the fact that they may have (indirect) employment effects is often overlooked’ (Schuettler and Caron, 2020: 22).

**Unconditional cash transfers**

Unlike other interventions that prescribe certain activities or behaviour (such as microfinance lending schemes, vouchers, small business development grants or vocational training), unconditional cash transfers offer people complete flexibility. As expected, recipients of unconditional cash transfers meet their most basic needs first – food, shelter, clothing, heating fuel, etc. – and they only shift this capital to building livelihoods once these needs are met. In several small studies, the ability of unconditional cash to impact livelihoods was predicated on the transfer being large enough to meet basic needs with money left over (Esper et al., 2022; IDinsight, 2022; Abdullahi et al., 2023). These and other studies did not show any change in employment levels, though some studies do suggest that unconditional cash transfers allow for better livelihoods, as people have the option to take less dangerous and risky jobs (Schuettler and Caron, 2020).

GiveDirectly has piloted and evaluated several unconditional cash transfer programmes with refugees in East Africa, including a 2019–2020 project targeting long-term Congolese refugees in Rwanda. According to their own endline evaluation, the project demonstrated that large lump-sum transfers have ‘the potential to accelerate the path towards self-reliance’ as opposed to monthly subsistence payments or in-kind aid (Ngabire et al., 2021). An independent impact evaluation of a second
GiveDirectly project in the Kiryandongo refugee settlement area in Uganda found similar effects, concluding that households had improved their self-reliance – mostly due to having less debt and, to a lesser extent, because of improved employment and housing conditions (IDinsight, 2022).

GiveDirectly argues that unconditional cash transfers generally represent a more cost-efficient and dignified model for delivering aid. Both projects described above only modestly improved livelihoods and self-reliance among participants, as refugees in both settings continued to rely heavily on WFP food assistance to meet their basic needs. In addition, further studies would be needed to determine the sustainability of the projects’ positive effects.

Indeed, the challenges of unconditional cash transfers are often inherent in their design: typically, as short-term emergency measures that may not address the long-term needs and aspirations of FDPs. They can act as a temporary fix, masking deeper structural issues, such as the ability to access the labour market or financial inclusion. Finally, for FDPs in particular, cash transfers have proven successful when mobility is taken into account – e.g. pastoralists and displaced people in Somalia/Somaliland who receive transfers via mobile money (CARE International, 2019) – but this has not always been the case with FDPs, who may wish to continue moving, but find they need to remain stationary (and often within a camp) to receive humanitarian support.

Conditional cash transfers
Conditional cash transfers – where cash is given for a specific purpose or if certain conditions are met – have been shown to positively impact livelihoods, though the number of studies is limited. One study analysing the effects of a single cash transfer on job search assistance for refugees in Jordan found that cash had ‘large and significant impacts on refugee employment and earnings’, as it allowed refugees to search for a job for longer and to submit more applications than those who did not receive a cash grant (Caria et al., 2020: 5). Although anecdotal evidence is positive, more large-scale and longitudinal evaluations are needed to determine the effect of cash – both unconditional and conditional – in the long term.

Graduation approaches
Graduation approaches generally ‘combine a set of poverty alleviation approaches to augment livelihoods outcomes’ (Benrey and Kenny, 2023: 42). Cash is often one component of the overall package, in conjunction with the provision of a productive asset such as livestock or another initiative, such as business or entrepreneurship training, mentoring or financial inclusion. In these graduation approaches, evidence in low- and middle-income countries, including fragile contexts, shows positive impacts, though it is unclear how much of this is attributed to cash, which has shown to be successful on its own, and how much is due to the accompanying initiative (Banerjee et al., 2015; Schuettler and Caron, 2020; Abdullahi et al., 2023).

Less is known about how effective graduation programmes are in displacement settings, though several recent and ongoing studies suggest they show promise – albeit at high costs and with questions about their replicability and scalability. As Benrey and Kenny (2023) point out, one unresolved issue is that
successful graduation approaches often include the same elements of poor design that can be found in many individualised approaches, such as the provision of livestock as a productive asset, which can be problematic in the case of FDPs who may not have access to land.

Two programmes in Uganda targeting refugees and hosts – the Graduating to Resilience project and a successor project, Sustainable Market Inclusive Livelihood Pathways to Self-Reliance Program (SMILES)⁷ – illustrate the promise and constraints of a graduation approach in displacement settings. The first project showed significant positive impacts on food security, nutrition and self-reliance among early participants, though it was difficult to untangle the contribution of various components (cash, provision of a productive asset, technical training, coaching, access to savings and service referrals) in achieving these outcomes. The provision of cash, including extra cash for some participants to invest in a livelihood asset, appeared to be the most important element in achieving results (Technical and Operational Performance Support (TOPS) Uganda Graduation Randomized Control Trial Associate Award, 2022a).⁸ To what degree participants, most of whom continue to receive humanitarian food assistance, have moved towards self-sufficiency is not clear. Furthermore, as noted in the endline report, ‘graduation programs are relatively expensive because of the intense level of support they offer, [posing] a challenge for governments that want to implement the approach at scale’ (ibid., 2022b: 1).

The SMILES programme follows a similar formula but has been hampered by cuts in WFP humanitarian cash transfers to participants, which had been calculated as one component of the overall graduation package. Both programmes have intensive built-in learning components and are part of the promising ‘emerging evidence on the effectiveness of the graduation approach among refugees’ (Benrey and Kenny, 2023: 42).

### 2.3 Area-based approaches to livelihoods in displacement

Beyond individualised efforts, agencies and donors have also supported programmes that strive to open markets and value chains in ways that offer livelihood opportunities for displaced people. In rural areas, these programmes often work to incentivise businesses to extend their reach into more remote areas and to connect them with refugees or IDPs – as a potential source of labour, as potential suppliers (e.g. of agricultural produce) or as clients (e.g. of financial or banking services). Similarly, in urban areas these approaches focus on building or growing industries, creating employment opportunities and linking those businesses into already established value chains in the region. In both urban and rural areas, agencies have partnered with municipal or local authorities to strengthen infrastructure and services to promote economic activity. Rather than helping one person create a small business, the aim of these broader investment approaches is to build an environment where businesses and job creation can thrive.

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7 The Graduating to Resilience project targets refugees and hosts in Kamwenge district, while SMILES is in Kyangwali and Kyaka II Refugee Settlements and their hosting communities.

8 Studies on a second cohort of participants within the programme were ongoing at the time of writing.
Area-based approaches in rural and urban settings tackle the challenges of livelihoods for FDPs through integrated approaches, recognising that a complex interplay of economic conditions and social interactions determine the opportunities available. These approaches go beyond the individual or household level and provide multi-sector assistance in a participatory way to the whole population of a particular geographic area (Parker and Maynard, 2015). For livelihoods, this type of approach seeks to build industries that benefit both FDPs and host communities, by starting with a comprehensive market assessment to ensure the established industries are needed and will be sustainable in the area in question (Pain and Vrebos, 2018).

2.3.1 Rural, camp-based area-based approaches

To date, some of the more well-known rural approaches have faltered because of the difficulty of fostering economic growth in areas distant from markets and services. While there are not many evaluations covering these area-based approaches (see Appendix 1), several reviews have highlighted positive outcomes but also pointed to funding and structural issues that have discouraged progress around achieving sustainable livelihoods. A mid-term review of the Kalobeyei Initiative – an integrated settlement for refugees and the host community in Kenya – pointed out that the prospect of refugees achieving self-reliance was poor in the short term because of geographic isolation and a lack of economic activity in the area (Betts et al., 2019). An end-of-project review identified the absence of expected financing for key infrastructure (roads, water, energy) that would have helped unlock economic opportunities (UNHCR, 2023e). Both reviews commented on legal obstacles that hampered refugee livelihood opportunities: on mobility, on working outside camp areas and on business ownership and registration.

The Kalobeyei area-based model does appear to have improved social cohesion with host communities (and perceptions of self-worth among refugees) and to have modestly improved household consumption and food security (Betts et al., 2019). A challenge fund backed by the International Finance Corporation (IFC) and aimed at encouraging businesses to work in the area has invested in more than 50 companies to date (UNHCR, 2023e). Another important positive feature has been the lead role of local and national government in the programme, which has ensured that health and education services for refugees are increasingly integrated with national systems – putting them on a more sustainable footing (ibid.).

Similarly, an area-based programme in Dollo Ado, Ethiopia, begun in 2012 (see Box 2), has a mixed record. Over 12 years of implementation, the programme has improved income and consumption among participants as well as fostered better refugee–host relations. As in Kalobeyei, though, the programme has struggled to wean itself from reliance on external aid, and the longer-term outcomes for livelihoods continue to be hampered both by distance from markets and restrictions on refugees’ ability to participate fully in the economy (Betts et al., 2020).
Box 2  An area-based approach in Dollo Ado

The IKEA Foundation began investing in five refugee camps in Dollo Ado, Ethiopia, in 2012 as an area-based approach to building a sustainable economy at both the macro and micro level in a remote, rural refugee-hosting community. According to an evaluation published in 2020, of the five types of cooperatives that were set up in the previous two years, the most successful were those in the livestock value chain, where there were pre-existing market linkages and the jobs were familiar to project participants, while the cooperatives that showed the least promise (the prosopis firewood cooperatives) had under-developed links to the markets and less pre-existing demand (Betts et al., 2020). Since this evaluation, the cooperatives have continued to mature, and the irrigation infrastructure installed in the region has proven invaluable for the growing and selling – and exporting – of onions (Adugna, 2022).

Another area-based approach that has shown some promise is the Strengthening Host and Refugee Populations in Ethiopia (SHARPE) programme, which aims to break down market barriers that exist between refugee-hosting areas and the business community. A recent review of SHARPE concluded that businesses across a range of industries (e.g. financial services, poultry, veterinary services) had benefited from incentives and support offered by the programme to expand into refugee-hosting areas, and that they were beginning to see pay-offs in terms of increased revenues and thereby expanding economic growth and opportunities in these areas (Bear, 2022). Further progress – especially in reaching refugees as opposed to host communities – has been impaired because ‘the private sector continues to face access and formalization barriers [from the Government] when partnering with refugee businesses’ (ibid.: 5).

Another evaluation of the financial markets component of SHARPE suggested that remote and difficult refugee-hosting areas (in this case, Dollo Ado as opposed to Jijiga) would require longer and more intensive investments from the project to build up a robust market system for mobile money products (de Brauw et al., 2023).

Findings such as these around area-based approaches have contributed to arguments that remote settlements or camps for FDPs – no matter their size, their longevity or the availability of substantial external assistance – generally cannot substitute for the organic role that urban centres play in local and regional economic development. In addition, the fact that some camps are ‘purposefully built far from industry or existing urban centres, near borders, or in other remote regions’ has led analysts to warn against buying into the ‘myth’ that these settings ‘can become stand-alone towns or municipalities where refugees and IDPs can live without aid’ (Earle, 2023: 28–29).
2.3.2 Urban area-based approaches

In urban areas, agencies and donors tend to have a better understanding of the importance of incorporating livelihood initiatives within the larger context of municipal government capacity-building and urban planning, yet there are only a few examples of area-based approaches in urban areas.

The Danwadaag (Somali for ‘common purpose’) and the more recent Saameynta (Somali for ‘impact’) programmes work in displacement-affected communities in several urban and peri-urban areas under the overall framework of the government–UN Durable Solutions Initiative (DSI), launched in 2016. Both programmes have a strong emphasis on building the capacity of municipal governments to manage integrated planning models that – in addition to specific livelihood activities – include investment in city infrastructure, the delivery of basic services, and the provision of safe housing and land rights for IDPs and returnees.

Both programmes have yet to be evaluated, but they incorporate learning tools that are measuring the effects of interventions on self-reliance and longer-term solutions to displacement. An independent evaluation of the DSI cited its influence on spurring innovative and imaginative urban programmes, such as Danwadaag and Saameynta (IDC, 2020). An analysis of (re)integration programming in Somalia noted that programmes like Danwadaag are looking holistically at the physical, material and legal needs that IDPs report. Building on the lessons of earlier area-based urban interventions in Somalia, Danwadaag has put further emphasis on community-action plans and peacebuilding components (Samuel Hall and SDRI, 2019).

The Refugees in East Africa: Boosting Urban Innovations for Livelihoods Development (Re:Build) is another area-based initiative delivering livelihood interventions for refugees and host neighbours in Nairobi and Kampala. Like the Somali programmes, Re:Build offers an integrated approach that combines ‘graduation approach’ individual interventions and advocacy with municipal and national authorities to improve service delivery and the protection of refugee rights (Dempster and Herbert, 2023). Now approaching the end of its third year, the programme’s learning objectives include four built-in randomised control trials that should eventually provide more evidence for urban area-based interventions, including on cost-effective models for microenterprise services and for building cohesion with host communities (ibid.).

To date, there have been few evaluations of area-based approaches as holistic methods to respond to humanitarian crises in urban areas. More work has been done, however, on access to markets – an important component in an area-based approach, where some evidence shows that increasing FDPs’ access to markets can increase the quantity and quality of employment. Another approach that has been evaluated is the use of wage subsidies to encourage the employment of refugees and other displaced persons, though this has only been tested with refugees in high-income countries (see Appendix 1).
2.3.3 Compact-style area-based approaches

Another type of area-based approach stemmed from the adoption of the New York Declaration for Refugees and Migrants and the Global Compact on Refugees. The Jordan Compact – and, shortly after, the Ethiopia Compact – sought to bring together economic investment in the country with more permissive employment policies for refugees through a variety of market-based approaches.

In Jordan, 200,000 work permits (alongside access to education) were to be issued to refugees, in exchange for grants, loans and preferential trade agreements with the European Union (EU) that would stimulate exports from special economic zones (SEZs) (Barbelet et al., 2018). In Ethiopia, more than 100,000 jobs were to be created in SEZs, including work permits for 30,000 refugees (Barbelet et al., 2019; Refugee Investment Network and Renew Capital, 2023).

However, neither of these compacts has lived up to its promise, with the Jordan Compact delivering only 25% and Ethiopia only 7% of the promised work permits for refugees by 2021 (Al Husseini, 2022; Refugee Investment Network and Renew Capital, 2023; see Box 3).

Box 3 The impact of the Jordan Compact, eight years on

When the Jordan Compact was agreed in 2016, it was heralded as a sterling achievement between donor governments and a refugee-hosting state that would pave the way for similar compacts to be signed in other countries throughout the world. Eight years on from the signing of the Compact, however, its success has been mixed at best, and its legacy as the first of many similar compacts has failed to materialise. According to a review of inclusion of Syrian refugees in Jordanian social protection systems, the Compact’s effects have been marginal at best, with 44% of the Syrian refugee population still relying on cash assistance for their income, compared to 48% who are employed (Al Husseini, 2022). While the Compact set a goal of 200,000 work permits, most years saw fewer than 50,000 permits issued (ibid.). Moreover, most of these permits were granted in sectors where Syrian refugees had already been working informally, namely agriculture and construction (Gordon, 2021; Wang and Cakmak, 2021).

2.4 Policy-based approaches to livelihoods in displacement

In many contexts, the most significant barrier to FDPs achieving sustainable livelihoods is the absence of effective legal and policy frameworks that support refugees and IDPs as job seekers or entrepreneurs. FDPs are often denied the right to move and lack legal status, rights and documentation that would allow them to work or to gain financial inclusion, such as the right to open a bank account or register for a mobile phone (Ginn et al., 2022; Sida et al., 2024). Even when governments have adopted adequate legal and policy frameworks, refugees and IDPs often face informal but pervasive barriers to working, such as discrimination, harassment and the threat of violence.
International efforts in recent years have put a renewed focus on the policy and legal framework in areas of displacement. The Global Compact on Refugees and the Secretary-General’s High-Level Panel on Internal Displacement (2019–2021) both underscore the importance of livelihoods in displacement. In the case of the Global Compact on Refugees, commitments on ‘burden sharing’ to low- and middle-income refugee-hosting countries have resulted in various policy and legal reforms. The World Bank’s Window for Host Communities and Refugees (WHR) provides financing to low-income refugee-hosting countries, with one of its main aims being to achieve policy changes favourable for refugee livelihoods. The World Bank’s Global Concessional Financing Facility (GCFF), directed at middle-income countries, reports that its financing between 2016 and 2022 resulted in over 2 million refugees in Colombia, Ecuador and Jordan obtaining the right to work (GCFF, 2023).

Overall evaluations of the World Bank’s WHR and GCFF have not been undertaken, but the mid-term review of the International Development Association (IDA) sub-window reported that progress on legal and policy frameworks had generally been positive across eligible countries. In practice, however, there remained barriers to refugee participation in the work force, including difficulties with freedom of movement. More importantly, the review noted that in some countries:

- refugees are also unable to benefit from otherwise beneficial domestic policies because of general lack of economic development or employment opportunities in the host country or communities or lack of sufficient infrastructure in refugee-hosting areas (World Bank, 2021: 5–6).

In many cases, though, formal steps to improve the legal and policy frameworks for livelihoods in low- and middle-income countries have not translated into livelihood improvements in practice. Slow or incomplete implementation of policy and legal reforms means that refugees still find it difficult to access formal employment or to move to find jobs (World Bank, 2021; Ginn et al., 2022). The most recent UNHCR Global survey on livelihoods and economic inclusion report showed overall positive trends over the past four years on national policy frameworks and some improvements around knowledge on refugee rights, but it noted persistent shortcomings in practice when it comes to accessing formal employment and the legal right to operate a business (UNHCR, 2023f). This may signal that policy changes are beginning to filter down to officials and practitioners at local levels.

Similarly, for IDPs, some progress on national policy and legal frameworks has been made since the formulation of the ‘Guiding principles on internal displacement’ (1998) – notably through the African Union’s Convention for the Protection and Assistance of Internally Displaced Persons in Africa (2009) and the Kampala Declaration on Jobs, Livelihoods and Self-Reliance for Refugees, Returnees and Host Communities in the Intergovernmental Authority on Development (IGAD) countries (2019). Other countries with sizeable IDP populations, however, have yet to introduce legal or policy frameworks, and in cases where such frameworks do exist, implementation has generally been weak (IDMC, 2023).

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9 The World Bank financing instruments are discussed further in Chapter 3.
The potential for enabling national policy frameworks to improve the livelihood prospects of refugees has been partially demonstrated in Colombia, which hosts 2.9 million displaced Venezuelans. In 2018, the government agreed to regularise the status of, and grant job permits to, about 500,000 Venezuelans working informally in the country, increasing their income by 31% and consumption by 60% (World Bank, 2023b). Taking a major step further, in 2021 the government granted all Venezuelan refugees the right to free movement and work in the country for a 10-year period – on top of efforts to provide social protection services (ibid.). The effects of the 2021 policy expansion on livelihoods among Venezuelans are not yet clear.

Therefore, one interrelated element necessary to improve displaced livelihoods is a policy environment that provides protection and respect for rights (including freedom of movement, the right to work and access to official documentation). Without movement, FDPs cannot go to where jobs and industries are located. Without the right to work and access to documentation, most FDPs will be restricted to working informally; with the right to work, many may continue to work informally, but will find themselves on more equal footing with the host community (Schuettler and Caron, 2020).

Another necessary element is a job-creating economic environment that displaced people can access. Yet, this conundrum – that most refugees are hosted in countries with high levels of unemployment or underemployment – rarely receives mention, even if it has been acknowledged by UNHCR since the late 1980s, and the prevailing theory that refugees could become self-sufficient if they worked hard enough ignores the structural impediments to their own self-reliance (Zamore, 2018). To some extent, this explains the underwhelming impact of the Jordan Compact, where the goal of issuing work permits did not match the environment of poor job creation and limited employment opportunities, nor did the jobs available match the desires and interests of the Syrian refugees (Empociello, 2021; Al Husseini, 2022).

To date, neither the larger state-sponsored schemes and national policy reforms, nor the small-scale activities by non-governmental organisations aimed at individuals have cracked the code on how to help large numbers of FDPs achieve self-reliance in fragile and low-income contexts.

While it is too soon to judge the overall impact on livelihoods of important reforms to the international aid system and to national displacement policies that were initiated or codified in the Global Compact on Refugees, the ability of FDPs to access sustainable livelihoods in exile continues to be inextricably tied to the availability of jobs in host countries and communities. If the aid community knew how to create jobs and growth in poor, often remote or marginalised areas that are hosting FDPs, they would likely be doing it.

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10 Chief among these were calls for greater international burden sharing, with donor countries committing to increase support to countries that host large refugee populations, and host nations committing to improving the legal and policy framework for refugees (through, for example, removing barriers to mobility or the right to work).
3 Financing livelihoods for FDPs

3.1 Trends in financing for humanitarian crises and FDPs

Global humanitarian needs have increased in recent years as have the shortfalls to meet those needs (see Figure 3). The $22-billion shortfall in humanitarian financing in 2022 represented the largest gap ever (in total amount) between needs and funding until 2023 (Development Initiatives, 2023). Early estimates indicate that the UN received only one-third of the funds it sought in 2023 (Lederer, 2023).

According to the Danish Refugee Council’s forecasting model, the burden of these shortfalls is likely to fall on fragile, low-income countries where new displacement – on top of existing protracted displacement – will strain the ability of international donors to meet even basic humanitarian needs. This means that many of the livelihood projects now being funded through humanitarian channels (and their learning/evidence components) will come under further pressure in the coming years (Danish Refugee Council, 2023).
Similarly, on the development side, given ‘competing demands on external financing needs – on issues such as climate change, food security, and other development needs – these amounts [current funding levels for displacement] are unlikely to be increased dramatically’ (World Bank, 2023b: 212). As a result of these continued and increasing shortfalls, the UN is appealing for less funding in 2024 than it did in 2023, $46 billion compared to $57 billion, and targeting fewer people, 180 million people compared to 245 million the previous year – even though needs have not decreased (Lederer, 2023).

### 3.1.1 Estimating current financing for FDPs

The UN Office for the Coordination of Humanitarian Affairs (OCHA) and the Organisation for Economic Co-operation and Development’s Development Assistance Committee (OECD DAC) maintain systems – or undertake surveys – that give a partial and estimated picture of humanitarian and development assistance directed towards refugees and host communities. The picture of financing specifically for IDPs has received less attention and remains opaque, but what limited evidence does exist suggests that levels of financing to IDPs are not equivalent to levels of financing for refugees per head despite comparable levels of need (Sida et al., 2024).

Some 50% or more of all humanitarian spending is likely directed towards situations of displacement – including both refugees and IDPs (Crawford et al., 2015). By this estimate, roughly $10.7 billion of humanitarian assistance from external sources was directed towards situations of displacement (refugees and IDPs) in 2021 and $15 billion in 2022. The overall funding shortfall for displacement in 2021 and 2022 was $19.6 billion combined.

According to OECD DAC, about 10% of all official development assistance – which covers humanitarian and development assistance – supports refugees and host communities. Refugee programmes in low- and middle-income countries (which host 83% of refugees globally) received about half of this assistance, an estimated $13.7 billion in 2020 and $12.7 billion in 2021 ($26.4 billion total). Refugee-led organisations get only a small portion of this aid – just $26.4 million in 2022 (Sturridge et al., 2023). The balance of aid – $22.2 billion for 2020 and 2021 combined – was spent on refugee programmes in donor countries that house just 17% of the world’s refugees (OECD, 2023).

### 3.1.2 Estimating financing for FDP livelihood programmes

Calculating the amount of humanitarian and development financing for livelihood-specific programming would require an in-depth analysis of donor and agency activities in every refugee- and IDP-hosting setting around the globe. Neither OCHA nor OECD DAC track donor commitments or expenditures that are specifically tagged for livelihoods. Many aid interventions are tagged as multisectoral, as are many donor aid commitments.

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11 This should be considered a very rough estimate. It is based on methodology for estimating humanitarian spend developed in Crawford et al. (2015), which concluded that some 50% of overall humanitarian financing – based on historical patterns – is directed to situations of displacement.
However, by looking just at humanitarian funding streams, we can estimate that a sizeable sum – approximately $2 billion in 2022\textsuperscript{12} – went towards activities that agencies and donors described (in part, at least) as supporting livelihoods. The equivalent figure from humanitarian financing in 2021 was $1.8 billion. While $2 billion is not insignificant, the percentage of overall humanitarian funding that supports livelihood interventions is dwarfed by other spending: funding for livelihoods in 2022 represented just 5% of overall humanitarian expenditures.

The level of support for livelihoods from development funding streams is unclear,\textsuperscript{13} though it is probable this kind of funding is increasing as World Bank grants and concessional lending for displacement increase – particularly in middle-income countries. Through its IDA WHR for low-income countries and GCFF for middle-income countries, the World Bank encourages refugee labour market access as well as investments to create social and development opportunities for refugees and host communities. In 2019, the World Bank committed up to $2.2 billion through the WHR to support refugees and hosts across a range of low-income countries, on top of the $2 billion it had set aside under the previous IDA window in 2018 (Hanafi et al., 2021). Likewise, from the fund’s inception in 2016 to the end of 2022, the GCFF provided more than $6 billion in concessional lending, and more than $750 million in grants, to middle-income countries that host large refugee populations (GCFF, 2023).

3.2 Who finances support to FDPs?

3.2.1 Public financing for FDPs

Overall humanitarian financing is dominated by a handful of donors. The US, Germany and EU institutions comprise 64% of all international humanitarian assistance from public donors, and the US gives significantly more than the others, at 39% of the total (Development Initiatives, 2023). The same donors have provided the bulk of external assistance for refugee-specific situations of displacement (World Bank, 2023b). Over the period 2020–2021, the World Bank has joined these donors to become the fourth largest provider of official development assistance for refugee situations in low- and middle-income countries (OECD, 2023).

The share of financing for refugees appears to be shifting from humanitarian funding sources to development sources, though this trend is new and may be more relevant for middle-income hosting countries (OECD, 2023; World Bank, 2023b). In 2018–2019, roughly 70% of international assistance supporting refugees globally came from humanitarian financing. In 2020–2021, this figure shrank to 55% of the overall spend (OECD, 2023). This is largely due to increases in development spending from

\textsuperscript{12} This number should be understood as a very rough estimate at best. It was obtained by searching for livelihood-related terms within transactions on the OCHA Financial Tracking Service. The extent to which these projects’ budgets went towards livelihood activities is uncertain. It also does not factor in any assistance (e.g. unconditional cash transfers) that may have indirectly supported livelihoods.

\textsuperscript{13} Making an estimate for development funding was not possible within the scope of this research – in part because the OECD DAC system does not offer a comparable search function to that of OCHA’S Financial Tracking Service (FTS).
the World Bank in the form of concessional loan financing (see Section 2.4 above), especially to the middle-income countries of Colombia, Ecuador, Jordan, Lebanon, the Occupied Palestinian Territories (OPT) and Türkiye. Lower-income and fragile countries with protracted refugee populations continue to receive the bulk of international assistance as humanitarian aid (ibid.).

### 3.2.2 Private sector and other financing for FDPs

There are also several financing mechanisms for displacement introduced in recent years that aim explicitly to encourage private sector investment in refugee economies. These initiatives have grown from the widespread recognition that sufficient economic and job growth to support refugee or IDP livelihood activities will only come from the private sector. Investor de-risking efforts (e.g. through blended finance or insurance), impact bonds and challenge funds are examples of this kind of financing (World Bank, 2023a). Many of these initiatives are at the experimentation and evidence-gathering phase, and their overall financing levels are modest so far.

A recent review looking at four of the better-known initiatives to raise private capital for investment in 7–10 FDP-hosting countries noted that their overall assets might reach $150 million in the coming years (World Bank, 2023c). The same review concluded that ‘the bulk of the organizations that comprise the refugee-related investment ecosystem are nascent’, and in the process of experimenting with approaches and documenting best practices (ibid.: 20).

### 3.3 Are funding sources for supporting livelihoods in displacement suitable?

Humanitarian funding has repeatedly been identified as ill-suited for successful livelihood support. It is typically based on a short-term response to urgent demands and, even in protracted crisis situations, humanitarian funding is managed through a cycle of annual budgets. By nature, the funding is unpredictable, so governments, agencies and intended beneficiaries are unable – or reluctant – to plan and invest in the medium- and long-term ways that could help build sustainable livelihoods (Barbelet and Wake, 2017; World Bank, 2023b).

As discussed in Section 2.1 above, cuts in humanitarian financing have always prompted pivots to ‘self-sufficiency’ models for aid to refugees, even when the prospects for achieving sustainable livelihoods are poor (Crawford et al., 2015; World Bank, 2017; Zamore, 2018). In Uganda, for example, recent cuts of up to 70% in food assistance for refugees are cited as a major impetus to find and implement livelihood support activities that work – even as the cuts themselves severely hamper refugees’ ability to benefit fully from livelihood investments that assumed continued food assistance at stable levels (Neiman and Titeca, 2023; key informant interview). In this type of scenario, vulnerable displaced people receive a double blow: their access to life-sustaining support is cut, and they are expected to achieve economic self-sufficiency through poorly financed and unpredictable livelihood schemes.

It is too soon to conclude whether more recent development funding from the World Bank and some donors – particularly private foundations – will spur a significant shift towards greater self-reliance among refugees. Likewise, innovative private sector financing mechanisms are too small and too new to conclude anything definitive about their suitability for supporting livelihoods.
4 Where the needs of FDPs and opportunities for interventions overlap

When donors and agencies that seek to support livelihoods in displacement are trying to identify where to invest their resources, several factors should be considered. Some countries are struggling already to cope with protracted displacement as a result of conflict and violence, or they may be facing additional challenges in coming years due to the effects of climate change. Countries also vary in their own capacity to offer paths towards self-reliance for displaced people, and they receive varying degrees of attention and investment from international donors. The legal and policy framework in a country may favour or discourage sustainable livelihood outcomes for displaced people.

Table 2 presents a summary of how these various factors might be estimated across low- and middle-income countries hosting more than 500,000 displaced people. It overlays the number of FDPs displaced by conflict, violence and persecution (UNHCR, 2023c; UNRWA, 2023); the Fragile State Index classification (Haken et al., 2023); the ND-GAIN (Notre Dame Global Adaptation Initiative, n.d.); the average percentage of the Response Plan (RP) funded over the past three years; the degree to which the international community is focused on the country and the ability to work in the country.

The purpose of the table is to offer policymakers and funding organisations a rough matrix of factors that should inform decision-making. Situations of displacement within a country often vary greatly. For example, IDPs may have more opportunities for integration than refugees, or a concentration of FDPs in one geographic area as opposed to another may have better access to jobs. Several tools have been developed on how to determine, at the community level, the suitability of a specific displacement setting for livelihood investments and the kinds of interventions best adapted for that setting. While the table does not provide a formula for directing aid, it may assist in thinking through priorities and areas of greatest need.

What is clear is that the aid system – as designed and currently functioning – is insufficient to cover needs globally, nor is it effective for longer-term needs like livelihoods for FDPs. Aid agencies mostly continue to tinker with small-scale interventions – sometimes with positive, if limited, benefits for self-reliance – while governments slowly inch their way towards more welcoming and enabling legal and policy environments for displaced people. At the same time, FDPs who are unable to create and maintain sustainable livelihoods for themselves remain reliant on humanitarian assistance. Without large-scale investment and new thinking, the humanitarian status quo is unlikely to change for most FDPs any time soon.

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14 See, for example, Nutz, 2017; the World Bank’s discussion on the ‘match and motivation matrix’ (2023c: 21–33); or Crawford et al., 2015: 39–42 and annexes 4–6 on ‘Identifying opportunities for self-reliance and livelihood programming’.
### Table 2  
Overlay of low- and middle-income countries, sorted by number of FDPs hosted

<table>
<thead>
<tr>
<th>Country</th>
<th>Number of FDPs hosted</th>
<th>Fragile State Index classification</th>
<th>ND-GAIN Country Index Rating</th>
<th>Average % Response Plan funded (3 years)**</th>
<th>Average absolute funding shortfall (3 years)**</th>
<th>Degree of international focus**</th>
<th>Ability to work in the country***</th>
</tr>
</thead>
<tbody>
<tr>
<td>Colombia</td>
<td>9,835,176</td>
<td>Elevated Warning</td>
<td>97</td>
<td>35.3%</td>
<td>$144,019,821</td>
<td>Significant focus</td>
<td>4</td>
</tr>
<tr>
<td>Syria</td>
<td>7,967,480</td>
<td>High Alert</td>
<td>156</td>
<td>56.3%</td>
<td>$1,831,977,302</td>
<td>Significant focus</td>
<td>N/A – IDPs</td>
</tr>
<tr>
<td>DRC</td>
<td>7,291,956</td>
<td>High Alert</td>
<td>182</td>
<td>46.3%</td>
<td>$1,062,830,712</td>
<td>Strong focus</td>
<td>3.5</td>
</tr>
<tr>
<td>Ukraine</td>
<td>6,450,525</td>
<td>Alert</td>
<td>65</td>
<td>69.2%</td>
<td>$109,910,862</td>
<td>Main focus</td>
<td>N/A – IDPs</td>
</tr>
<tr>
<td>Ethiopia</td>
<td>5,492,562</td>
<td>High Alert</td>
<td>163</td>
<td>52.3%</td>
<td>$987,160,195</td>
<td>Significant focus</td>
<td>3</td>
</tr>
<tr>
<td>Sudan</td>
<td>4,697,669</td>
<td>High Alert</td>
<td>179</td>
<td>48.3%</td>
<td>$955,282,977</td>
<td>Significant focus</td>
<td>2.5</td>
</tr>
<tr>
<td>Yemen</td>
<td>4,613,727</td>
<td>High Alert</td>
<td>174</td>
<td>58.0%</td>
<td>$1,619,701,998</td>
<td>Strong focus</td>
<td>N/A – IDPs</td>
</tr>
<tr>
<td>Türkiye</td>
<td>3,841,034</td>
<td>High Warning</td>
<td>52</td>
<td>32.3%</td>
<td>$4,029,505,858</td>
<td>Some attention</td>
<td>3.5</td>
</tr>
<tr>
<td>Afghanistan</td>
<td>3,637,954</td>
<td>High Alert</td>
<td>179</td>
<td>75.0%</td>
<td>$563,280,784</td>
<td>Strong focus</td>
<td>N/A – IDPs</td>
</tr>
<tr>
<td>Somalia</td>
<td>3,612,595</td>
<td>Very High Alert</td>
<td>178</td>
<td>81.7%</td>
<td>$210,799,167</td>
<td>Significant focus</td>
<td>N/A – IDPs</td>
</tr>
<tr>
<td>Nigeria</td>
<td>3,539,094</td>
<td>Alert</td>
<td>154</td>
<td>65.3%</td>
<td>$370,989,457</td>
<td>Significant focus</td>
<td>N/A – IDPs</td>
</tr>
<tr>
<td>Iran</td>
<td>3,425,131</td>
<td>High Warning</td>
<td>83</td>
<td>21.0%</td>
<td>$490,953,343</td>
<td>Almost forgotten</td>
<td>2.5</td>
</tr>
<tr>
<td>Jordan</td>
<td>3,287,322</td>
<td>Elevated Warning</td>
<td>74</td>
<td>32.3%</td>
<td>$4,029,505,858</td>
<td>Some attention</td>
<td>3</td>
</tr>
<tr>
<td>Venezuela</td>
<td>3,236,963</td>
<td>Alert</td>
<td>143</td>
<td>31.7%</td>
<td>$517,288,316</td>
<td>Some attention</td>
<td>N/A – IDPs</td>
</tr>
<tr>
<td>OPT</td>
<td>2,877,794</td>
<td>High Warning</td>
<td>N/A</td>
<td>80.7%</td>
<td>$85,785,327</td>
<td>Significant focus</td>
<td>N/A – IDPs</td>
</tr>
<tr>
<td>Myanmar</td>
<td>2,303,494</td>
<td>High Alert</td>
<td>160</td>
<td>66.3%</td>
<td>$198,528,240</td>
<td>Significant focus</td>
<td>N/A – IDPs</td>
</tr>
<tr>
<td>South Sudan</td>
<td>1,947,334</td>
<td>N/A</td>
<td>N/A</td>
<td>70.3%</td>
<td>$523,977,306</td>
<td>Significant focus</td>
<td>N/A – IDPs</td>
</tr>
</tbody>
</table>
### Table 2  Overlay of low- and middle-income countries, sorted by number of FDPs hosted (cont.)

<table>
<thead>
<tr>
<th>Country</th>
<th>Number of FDPs hosted</th>
<th>Fragile State Index classification</th>
<th>ND-GAIN Country Index Rating</th>
<th>Average % Response Plan funded (3 years)</th>
<th>Average absolute funding shortfall (3 years)</th>
<th>Degree of international focus</th>
<th>Ability to work in the country</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pakistan</td>
<td>1,918,760</td>
<td>High Warning</td>
<td>150</td>
<td>59.0%</td>
<td>$185,222,607</td>
<td>Significant focus</td>
<td>2.5</td>
</tr>
<tr>
<td>Burkina Faso</td>
<td>1,917,317</td>
<td>Alert</td>
<td>161</td>
<td>50.7%</td>
<td>$312,686,477</td>
<td>Significant focus</td>
<td>N/A – IDPs</td>
</tr>
<tr>
<td>Uganda</td>
<td>1,562,689</td>
<td>Alert</td>
<td>173</td>
<td>26.2%</td>
<td>$1,058,330,694</td>
<td>Significant focus</td>
<td>4.5</td>
</tr>
<tr>
<td>Cameroon</td>
<td>1,542,211</td>
<td>Alert</td>
<td>145</td>
<td>52.7%</td>
<td>$177,571,275</td>
<td>Some attention</td>
<td>3.5</td>
</tr>
<tr>
<td>Iraq</td>
<td>1,532,569</td>
<td>Alert</td>
<td>126</td>
<td>32.3%</td>
<td>$4,029,505,858</td>
<td>Significant focus</td>
<td>3.5</td>
</tr>
<tr>
<td>Peru</td>
<td>1,521,240</td>
<td>Elevated Warning</td>
<td>91</td>
<td>41.3%</td>
<td>$908,736,123</td>
<td>Some attention</td>
<td>3.5</td>
</tr>
<tr>
<td>Lebanon</td>
<td>1,407,794</td>
<td>Alert</td>
<td>117</td>
<td>80.7%</td>
<td>$47,184,133</td>
<td>Significant focus</td>
<td>2.5</td>
</tr>
<tr>
<td>Russia</td>
<td>1,373,899</td>
<td>High Warning</td>
<td>30</td>
<td>No plan</td>
<td>No plan</td>
<td>Negligible focus</td>
<td>N/A</td>
</tr>
<tr>
<td>Mozambique</td>
<td>1,330,736</td>
<td>Alert</td>
<td>154</td>
<td>76.5%</td>
<td>$78,988,888</td>
<td>Significant focus</td>
<td>N/A – IDPs</td>
</tr>
<tr>
<td>Chad</td>
<td>1,080,565</td>
<td>High Alert</td>
<td>185</td>
<td>47.7%</td>
<td>$317,688,430</td>
<td>Significant focus</td>
<td>4</td>
</tr>
<tr>
<td>Mexico</td>
<td>1,073,171</td>
<td>Warning</td>
<td>88</td>
<td>41.3%</td>
<td>$908,736,123</td>
<td>Almost forgotten</td>
<td>3.5</td>
</tr>
<tr>
<td>Côte d’Ivoire</td>
<td>958,331</td>
<td>High Warning</td>
<td>140</td>
<td>No plan</td>
<td>No plan</td>
<td>Almost forgotten</td>
<td>N/A</td>
</tr>
<tr>
<td>Bangladesh</td>
<td>952,413</td>
<td>High Warning</td>
<td>163</td>
<td>65.7%</td>
<td>$332,033,907</td>
<td>Significant focus</td>
<td>1.5</td>
</tr>
<tr>
<td>Central African Republic</td>
<td>937,679</td>
<td>High Alert</td>
<td>184</td>
<td>85.7%</td>
<td>$76,278,395</td>
<td>Significant focus</td>
<td>N/A – IDPs</td>
</tr>
<tr>
<td>Niger</td>
<td>716,412</td>
<td>Alert</td>
<td>169</td>
<td>64.0%</td>
<td>$192,159,247</td>
<td>Significant focus</td>
<td>N/A</td>
</tr>
<tr>
<td>Kenya</td>
<td>677,459</td>
<td>High Warning</td>
<td>150</td>
<td>34.7%</td>
<td>$612,513,462</td>
<td>Significant focus</td>
<td>3</td>
</tr>
</tbody>
</table>
### Table 2 Overlay of low- and middle-income countries, sorted by number of FDPs hosted (cont.)

<table>
<thead>
<tr>
<th>Country</th>
<th>Number of FDPs hosted</th>
<th>Fragile State Index classification</th>
<th>ND-GAIN Country Index Rating</th>
<th>Average % Response Plan funded (3 years)</th>
<th>Average absolute funding shortfall (3 years)</th>
<th>Degree of international focus</th>
<th>Ability to work in the country</th>
</tr>
</thead>
<tbody>
<tr>
<td>Thailand</td>
<td>669,617</td>
<td>Warning</td>
<td>71</td>
<td>No plan</td>
<td>No plan</td>
<td>Almost forgotten</td>
<td>1.5</td>
</tr>
<tr>
<td>Azerbaijan</td>
<td>668,944</td>
<td>Elevated Warning</td>
<td>65</td>
<td>No plan</td>
<td>No plan</td>
<td>Negligible focus</td>
<td>N/A – IDPs</td>
</tr>
<tr>
<td>Ecuador</td>
<td>565,183</td>
<td>Warning</td>
<td>115</td>
<td>41.3%</td>
<td>$908,736,123</td>
<td>Some attention</td>
<td>4</td>
</tr>
<tr>
<td>Brazil</td>
<td>538,331</td>
<td>Elevated Warning</td>
<td>86</td>
<td>41.3%</td>
<td>$908,736,123</td>
<td>Almost forgotten</td>
<td>4.5</td>
</tr>
<tr>
<td>Mali</td>
<td>506,736</td>
<td>N/A</td>
<td>176</td>
<td>44.3%</td>
<td>$323,034,026</td>
<td>Significant focus</td>
<td>N/A – IDPs</td>
</tr>
</tbody>
</table>

i  The percentage funded of Response Plans can be found through OCHA’s Financial Tracking Service. Some of the countries have more than one plan, particularly if there are IDPs as well as a regional refugee response. In these cases, the two plans have been averaged, and the average of the three years taken.

ii  The degree to which the international community is focused on the issue was determined by calculating the percentage of ReliefWeb postings that were tagged as that country being the ‘primary country’ compared to the total number of ReliefWeb postings for 2022. Countries with 0.0% to 0.09% of postings are considered ‘negligible focus’, 0.1% to 0.49% ‘almost forgotten’, 0.5% to 0.99% ‘some attention’, 1.0% to 2.99% ‘significant focus’, 3.0% to 4.99% ‘strong focus’ and 5.0% or more ‘main focus’. In 2022, only one country – Ukraine – was considered a ‘main focus’ country, compared to four countries when the study was first conducted with data from 2014 (Crawford et al., 2015).

iii  The ability to work in a country is based on the 2022 Global refugee work rights report, which graded refugee-hosting countries on a scale of 1 to 5, where 1 is the most restrictive and 5 is the most supportive of refugees’ right to work. Each country received a score for de jure access and de facto access to work (Ginn et al., 2022). For the purposes of this paper, the two scores have been averaged. Countries who host IDPs rather than refugees have not been included in this report and are marked ‘N/A – IDPs’.

Note: The colours in the table represent a gradient of severity of each indicator, ranging from blue (least severe) to red (most severe).

FDP – forcibly displaced person; IDP – internally displaced person; ND-GAIN – Notre Dame Global Adaptation Initiative; DRC – Democratic Republic of Congo; OPT – Occupied Palestinian Territories.
References


IOM (n.d.) ‘Key migration terms’. Webpage (www.iom.int/key-migration-terms).


## Appendix 1: Livelihoods interventions targeting FDPs

### Table A1  Livelihoods interventions targeting FDPs, by type of approach

<table>
<thead>
<tr>
<th>Intervention</th>
<th>Objective(s)</th>
<th>Key studies/examples</th>
<th>Summary evidence and findings</th>
<th>Obstacles to sustainability and scaling up</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Individualised approaches</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Building human capital</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
| Vocational and skills training | ● Build capacity to enter labour market  
● Overcome mismatch between skills of FDPs and needs of the labour market | Mozambican refugees in Malawi (Zetter, 1996)  
Refugees in Egypt (Furst-Nichols and Jacobsen, 2012a)  
Refugees in Rwanda, South Africa and Tanzania (CWS, 2018)*  
Refugees and IDPs (Hatayama, 2018)  
Syrian refugees in Jordan (Leghtas, 2018)  
Refugees in Germany (Mason, 2018)  
Refugees and IDPs in Europe and the Middle East (Francis, 2019)  
IDPs in Afghanistan (Lyall et al., 2020)* | ● Most evidence on training-only interventions is not promising.  
● Some positive results have been found for digital skills, such as coding and IT. | ● Most skills taught are not appropriate for finding jobs.  
● Skills training does not overcome a restrictive policy environment.  
● Scaling is a challenge because training too many with similar skills oversaturates the market.  
● Training programmes do not consider the time commitment required or cultural norms.  
● Skills-only interventions ignore the need for financial capital. |
### Table A1  Livelihoods interventions targeting FDPs, by type of approach (cont.)

<table>
<thead>
<tr>
<th>Intervention</th>
<th>Objective(s)</th>
<th>Key studies/examples</th>
<th>Summary evidence and findings</th>
<th>Obstacles to sustainability and scaling up</th>
</tr>
</thead>
<tbody>
<tr>
<td>Job matching and skills recognition</td>
<td>• Encourage labour market participation&lt;br&gt;• Overcome lack of social networks</td>
<td>Refugees in Houston, Texas (Capps et al., 2008)<em>&lt;br&gt;Refugees in Sweden (Åslund and Johansson, 2011)</em>&lt;br&gt;Refugees in Sweden (Joona and Nekby, 2012)<em>&lt;br&gt;Refugees in Ecuador (Furst-Nichols and Jacobsen, 2012b)&lt;br&gt;Refugees in Israel (Furst-Nichols and Jacobsen, 2012c)&lt;br&gt;North Korean refugees in South Korea (Yu et al., 2012)</em>&lt;br&gt;Refugees in Australia (Correa-Velez et al., 2015)<em>&lt;br&gt;Refugees in Uganda (Vemuru et al., 2016)</em>&lt;br&gt;CAR Refugees in Cameroon (Barbelet, 2017)&lt;br&gt;Refugees in Rwanda, South Africa and Tanzania (CWS, 2018)<em>&lt;br&gt;Refugees and IDPs (Hatayama, 2018)&lt;br&gt;Refugees and migrants globally (UNCTAD, 2018)&lt;br&gt;Refugees in Germany (Battisti et al., 2019)</em>&lt;br&gt;Refugees in Uganda (Loiacono and Silva Vargas, 2019)&lt;br&gt;Syrian refugees in Jordan (Caria et al., 2020)*</td>
<td>• In high-income countries, evidence is positive, but it is not promising for low- and middle-income countries.&lt;br&gt;• Access to the internet and hiring websites may help FDPs in low-income countries find work.</td>
<td>• Job matching does not work when there is a lack of jobs in the formal sector or restrictions on the right to work.&lt;br&gt;• Job matching does not replace the need for social networks to find work.&lt;br&gt;• More individualised and intensive assistance is costly.</td>
</tr>
</tbody>
</table>
### Table A1  Livelihoods interventions targeting FDPs, by type of approach (cont.)

<table>
<thead>
<tr>
<th>Intervention</th>
<th>Objective(s)</th>
<th>Key studies/examples</th>
<th>Summary evidence and findings</th>
<th>Obstacles to sustainability and scaling up</th>
</tr>
</thead>
<tbody>
<tr>
<td>Language training</td>
<td>• Build capacity to enter labour market</td>
<td>Refugees in the UK (Peckham et al., 2004)*</td>
<td>• In high-income countries, language training can lead to employment and higher wages, particularly in the mid to long term.</td>
<td>• In displacement contexts, language training also needs to consider the interruptions in basic education experienced by FDPs.</td>
</tr>
<tr>
<td></td>
<td>• Build social networks</td>
<td>Refugees in Houston, Texas (Capps et al., 2008)*</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Refugees in Denmark (Clausen et al., 2009)*</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Refugees in the UK (Cebulla et al., 2010)*</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Refugees in Egypt (Furst-Nichols and Jacobsen, 2012a)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Refugees globally (Ott, 2013)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Refugees in the EU (Papadopoulou et al., 2013)*</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Refugees in the EU (Martin et al., 2016)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Syrian refugees in Turkey and Jordan (Bellamy et al., 2017)</td>
<td></td>
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</tr>
<tr>
<td></td>
<td></td>
<td>Refugees in Switzerland (Auer, 2018)*</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Refugees in France (Lochmann et al., 2019)*</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Psychosocial support</td>
<td>• Encourage labour market participation</td>
<td>Sudanese refugees in Uganda (Neuner et al., 2004)*</td>
<td>• Psychosocial support can help improve mental health, but there is no evidence as to its follow-on impacts on attaining employment.</td>
<td>• There is no evidence as to how psychosocial support should be integrated into livelihoods interventions.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>IDPs in Uganda (Ertl et al., 2011)*</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Refugees in Ethiopia (Stark et al., 2018)*</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Syrian refugees in Jordan (Caria et al., 2020)*</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## Table A1
Livelihoods interventions targeting FDPs, by type of approach (cont.)

<table>
<thead>
<tr>
<th>Intervention</th>
<th>Objective(s)</th>
<th>Key studies/examples</th>
<th>Summary evidence and findings</th>
<th>Obstacles to sustainability and scaling up</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Building financial capital</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unconditional cash transfers</td>
<td>• Address poverty&lt;br&gt; • Alleviate food insecurity&lt;br&gt; • Meet basic needs&lt;br&gt; • Assist in finding employment and income-generating activities</td>
<td>IDPs in DRC (Aker, 2013)<em>&lt;br&gt; IDPs in Somalia (Dunn et al., 2013)</em>&lt;br&gt; Colombian refugees in Ecuador (Hidrobo et al., 2014)<em>&lt;br&gt; Syrian refugees in Lebanon (Lehmann and Masterson, 2014)</em>&lt;br&gt; Syrian refugees in Lebanon (Battistin, 2016)<em>&lt;br&gt; Syrian refugees in Jordan (Abu Hamad et al., 2017)&lt;br&gt; Congolese refugees in Rwanda (Alloush et al., 2017)</em>&lt;br&gt; Syrian refugees in Turkey and Jordan (Bellamy et al., 2017)&lt;br&gt; Syrian refugees in Jordan (Giordano et al., 2017)<em>&lt;br&gt; Syrian refugees in Jordan (UNHCR, 2017)&lt;br&gt; Syrian refugees in Jordan (Hagen-Zanker et al., 2018)&lt;br&gt; IDPs in Somalia (Hassan et al., 2018)</em>&lt;br&gt; DRC and Rwandan refugees in Uganda (Williams and Cooke, 2018)&lt;br&gt; Syrian refugees in Lebanon (De Hoop et al., 2019)<em>&lt;br&gt; Refugees in Kenya (MacPherson and Sterck, 2019)</em>&lt;br&gt; IDPs in DRC (Quattrochi et al., 2020)<em>&lt;br&gt; Syrian refugees in Lebanon (Chaaban et al., 2020)</em>&lt;br&gt; IDPs in Afghanistan (Lyall et al., 2020)<em>&lt;br&gt; DRC refugees in Rwanda (Ngabire et al., 2021)&lt;br&gt; Afghan returnees from Pakistan (Esper et al., 2022)</em>&lt;br&gt; South Sudanese refugees in Uganda (IDinsight, 2022)<em>&lt;br&gt; IDPs in Somalia (Abdullahi et al., 2023)</em></td>
<td>• Transfers reduce poverty.&lt;br&gt; • Transfers increase expenditure across food, water, shelter, fuel, health, hygiene, clothing and education.&lt;br&gt; • Transfers decrease food insecurity.&lt;br&gt; • Transfers improve mental health, life satisfaction and wellbeing.&lt;br&gt; • Transfers reduce negative coping strategies, like child labour.&lt;br&gt; • Larger one-off sums show better results than smaller sums.&lt;br&gt; • There is some evidence of the prolonged effectiveness of a single unconditional cash transfer.</td>
<td>• Cash transfers need availability of goods and access to markets to work.&lt;br&gt; • Poor programme design (such as poor targeting) may increase community tensions.&lt;br&gt; • Without financial inclusion, cash transfers risk exacerbating existing inequalities for some groups of FDPs.&lt;br&gt; • Transfers are often a temporary fix and do not address underlying structural issues.</td>
</tr>
<tr>
<td>Intervention</td>
<td>Objective(s)</td>
<td>Key studies/examples</td>
<td>Summary evidence and findings</td>
<td>Obstacles to sustainability and scaling up</td>
</tr>
<tr>
<td>--------------------------</td>
<td>------------------------------------------------------------------------------</td>
<td>--------------------------------------------------------------------------------------</td>
<td>----------------------------------------------------</td>
<td>---------------------------------------------------------------------</td>
</tr>
</tbody>
</table>
| Conditional cash transfers| • Create or grow a business  
• Encourage labour market participation | Syrian refugees in Jordan (Abu Hamad et al., 2017)
IDPs in Somalia (Hassan et al., 2018)*
Syrian refugees in Jordan (Caria et al., 2020)*
IDPs in Somalia (Abdullahi et al., 2023)* | • Some evidence exists that cash transfers can help with job searches.               | • Restrictive legal frameworks around work limit the effectiveness of conditional cash transfers to grow business. |
| Microfinance and microenterprise | • Create or grow a business  
• Encourage labour market participation | IDPs in Azerbaijan (Flowers, 2003)
Refugees and IDPs in Africa (Jacobsen, 2004)
IDPs in Uganda (Jacobsen et al., 2006)
Refugees in Costa Rica, Serbia and East Sudan (Azorbo, 2011)
Refugees globally (Easton-Calabria and Omata, 2016)
Refugees and IDPs globally (El-Zoghbi et al., 2017)
Refugees in Germany (Dhawan, 2018)
Refugees in Kenya (UNHCR, 2018a)
Refugees globally (Berfond et al., 2019) | • There is some evidence that microloans and microcredit have helped FDPs to increase income and obtain assets necessary for their businesses.  
• In non-displacement contexts in low- and middle-income countries, microfinance is expensive and not conducive to increased profits. | • The perceived temporariness of FDPs’ stay creates difficulties in accessing credit.  
• Restrictive legal frameworks limit financial access among some FDPs.  
• Loan repayments can be difficult to make. |
Table A1  Livelihoods interventions targeting FDPs, by type of approach (cont.)

<table>
<thead>
<tr>
<th>Intervention</th>
<th>Objective(s)</th>
<th>Key studies/examples</th>
<th>Summary evidence and findings</th>
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<tbody>
<tr>
<td><strong>Graduation approaches</strong></td>
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</table>
| Human and financial capital | • Build capacity to enter labour market  
• Encourage labour market participation  
• Create or grow a business | IDPs in Colombia (Ibáñez and Moya, 2010)*  
Malian refugees in Niger (Grootenhuis and Calo, 2016)  
Refugees in Egypt (Beit Al Karma Consulting, 2016)*  
IDPs in Somalia (Hassan et al., 2018)*  
Refugees in Costa Rica (Ramirez, 2018)*  
Colombian refugees in Ecuador (Arevalo Sanchez, 2019)*  
Refugees in Uganda (Technical and Operational Performance Support (TOPS) Uganda Graduation Randomized Control Trial Associate Award, 2022a)*  
Refugees in Mozambique (Beltramo et al., 2023)* | • Graduation approaches can increase employment, business ownership, income, self-confidence and support networks.  
• It is hard to determine which part of the graduation approach is contributing to success or failure because of its integrated methods. | • They are expensive to scale up because of the hands-on approach. |

| **Area-based approaches** | | | | |
| Area-based approaches | • Target challenges on a larger scale than the individual  
• Build infrastructure  
• Boost economic activity | Refugees in Kenya (Analysis for Economic Decisions, 2019)  
Refugees in Kenya (Betts et al., 2019)  
Refugees in Ethiopia (Betts et al., 2020)  
Refugees in Kenya (Gross and Wandera, 2022)  
Refugees in Ethiopia (de Brauw et al., 2023)  
Refugees in Kenya (UNHCR, 2023e)  
FDPs in Iraq (ILO, 2023)  
Refugees in Jordan (Al Husseini, 2022)  
Refugees in Ethiopia Compact (Refugee Investment Network and Renew Capital, 2023) | • There is some evidence that market-based approaches can be successful, but there have been relatively few truly market-based approaches implemented to date. | • Remote rural areas are not always conducive to big-scale market-based approaches and require a lot of funding and support to be established.  
• Inadequate infrastructure restricts growth and development.  
• Restrictive legal frameworks around work limit the effectiveness of market-based approaches. |
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<td>Access to markets</td>
<td>• Link businesses with clients&lt;br&gt;• Help develop market systems&lt;br&gt;• Develop or strengthen links in value chains</td>
<td>Refugees globally (Huang, 2017)&lt;br&gt;Refugees globally (Nutz, 2017)&lt;br&gt;Refugees in Uganda (Mercy Corps, 2018)&lt;br&gt;IDPs in Nigeria (Propcom Mai-karfi, 2018)&lt;br&gt;Somali refugees in Ethiopia (Chaux and Nutz, 2019)&lt;br&gt;Refugees and IDPs globally (Gettliffe and Rashidova, 2019)&lt;br&gt;Refugees globally (Berfond et al., 2019)</td>
<td>• Evidence is promising, but more rigorous evaluation is needed.&lt;br&gt;• Developing value chain can increase the quantity and quality of employment.</td>
<td>• Many FDPs live in areas where market access is unavailable.&lt;br&gt;• The skills and desires of FDPs may not match the needs of the market.&lt;br&gt;• Restrictive legal frameworks around work limit the effectiveness of market-based approaches.</td>
</tr>
<tr>
<td>Wage subsidies</td>
<td>• Increase employer demand for FDP employees&lt;br&gt;• Help FDPs break into labour market</td>
<td>Refugees in Denmark (Clausen et al., 2009)<em>&lt;br&gt;Refugees in Europe (Aiyar et al., 2016)</em>&lt;br&gt;Refugees in Europe (Konle-Seidl and Bolits, 2016)&lt;br&gt;Refugees in Sweden (Åslund et al., 2017)*</td>
<td>• The evidence is positive for helping FDPs gain short-term employment, but there is a lack of evidence on long-term outcomes.&lt;br&gt;• All of the evidence is from high-income countries in Europe.</td>
<td>• Wage subsidies face sustainability challenges because of the difficulty in ending the programmes and moving to the status quo of FDPs being employed at the same rate as other individuals.</td>
</tr>
</tbody>
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### Table A1  Livelihoods interventions targeting FDPs, by type of approach (cont.)

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| Right to work (particularly for refugees) | • Remove limitations on the right to work     | **Refugees globally** (Zetter and Ruaudel, 2016)  
**Refugees globally** (Clemens et al., 2018)  
**Refugees in Jordan and Ethiopia** (Gordon, 2019)  
**Refugees in Switzerland** (Slotwinski et al., 2019)*  
**Venezuelan migrants in Colombia** (Ibañez et al., 2022) | • The right to work is associated with more participation in the formal labour market, while a restriction on the right to work is associated with more participation in the informal labour market.  
• Granting work permits (as opposed to the right to work) can increase labour market participation, but only if the permits match the skills and aspirations of FDPs. | • Context will determine the impact of removing legal barriers for the right to work. |
| Anti-discrimination laws               | • Reduce discrimination in hiring and compensation | **Refugees in Uganda** (Vemuru et al., 2016)                  | • Anti-discrimination laws can increase the willingness of employers to hire FDPs.            | • Anti-discrimination laws could appear to be favouring FDPs over other residents/citizens. |
## Table A1  Livelihoods interventions targeting FDPs, by type of approach (cont.)

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</table>
| Regularisation | • Remove legal barriers for irregular refugees   | Burundian refugees in Tanzania (Ljusenius, 2016)  
Venezuelan migrants in Colombia (Ibáñez et al., 2022)* | • Regularisation can increase labour market participation by removing barriers to work.  
• It does not, however, mean that FDPs are more likely to gain employment, but when they do, they are able to more effectively negotiate their terms on par with other individuals. | • States are typically unwilling to extend full citizenship to entire refugee populations.  
• Gaining citizenship does not mean that refugees achieve local integration. |

Sources: Schuettler and Caron, 2020; Benrey and Kenny, 2023
Note: Interventions which have been rigorously evaluated are noted with an asterisk.
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