



**UNHCR**  
The UN Refugee Agency



# **STEPPED UP LIVELIHOODS STRATEGY IN THE AMERICAS**

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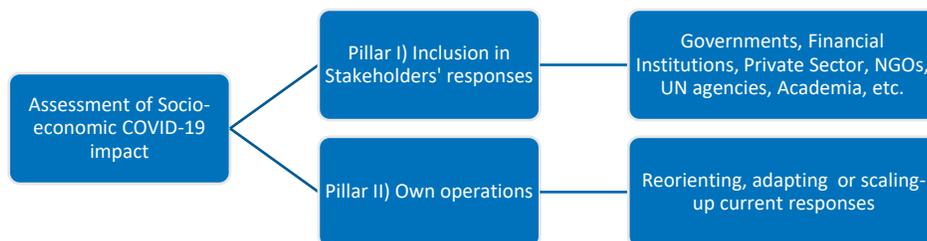
Cover Photo: @UNHCR/ Diana Diaz - Panama. Asylum-seekers find hope in backyard gardening

# 1. Summary: Stepped-Up Livelihoods Strategy in the Americas

**Situation.** The COVID-19 pandemic and accompanying recession in 2020 in the Americas has significantly impacted the livelihoods of UNHCR’s persons of concern (PoCs)<sup>1</sup>, including refugees, asylum seekers, internally displaced persons, returnees, stateless persons, others in need of international protection as well as vulnerable host communities. Many PoCs work in low-wage informal employment, have little or no savings or access to loans, and often do not qualify for government social protection schemes such as unemployment benefits, social allowances or other type of cash transfers. Furthermore, they tend to work in sectors impacted by a reduced demand for labour, such as service industries, tourism, construction and hospitality, and the informal retail economy. This context – where PoC households with little or no social safety net face severely limited livelihoods – calls for a concerted and coordinated effort to support their short, medium and long-term resilience.

**Objective.** The purpose of this Stepped-up Livelihoods Strategy in the Americas is to maximize UNHCR’s engagement with a wide range of stakeholders in order to mobilize support and resources for the economic inclusion of refugees. Economic inclusion requires not only policy changes regarding government responses and access to labour markets, but also donors’ significant investment into regional and country plans and programs. This strategy seeks to catalyse opportunities for development actors, international financial institutions, private sector actors and donors to make a concrete impact on access to livelihoods for persons of concern in the region. Now, more than ever, such concrete action needs to be stepped up.

**Response & Role.** In line with the Global Compact on Refugees, this strategy prioritizes a two-pronged approach: Facilitating inclusion of PoCs in existing programmes (pillar I) and tailoring new initiatives to fill gaps (pillar II). Both will require significant advocacy with a wide range of stakeholders to foster inclusion and raise funds. Recognizing its limited capacity to create large-scale livelihoods interventions, UNHCR will continue to fully leverage both pillars.



<sup>1</sup> A Person of Concern for UNHCR is “a person whose protection and assistance needs are of interest to UNHCR. This includes refugees, asylum-seekers, stateless people, internally displaced people and returnees”. For ease of reading the term refugee in this document is always meant to mean PoC.

**Nine Actions.** The strategy is designed to address **three main challenges** through **nine responsive actions**, which are outlined in the table below. These challenges and actions were identified in case studies, research and surveys by UN agencies, development actors, international institutions and academia, and validated by internal conversations with country operations as well as external consultations. In addition, UNHCR is engaging with key stakeholders to step up current partnerships and interventions as well as to identify more opportunities for further collaboration and action. The actions are intended to be complimentary and sequential – to support PoCs in transitioning from short-term aid dependency to increasing degrees of self-reliance over the medium- and long-term as economies recover.

Challenge	9 Suggested Actions	Stakeholders
Understanding impacts of and potential responses to COVID19	1. Conduct, or include refugees, in rapid assessments of COVID-19's impacts on refugee livelihoods to inform decision-making	Governments, ILO, UNDP, NGOs, development actors, PoCs
Covering basic needs: Insufficient assistance for basic needs and limited inclusion in national social protection systems	2. Streamline and leverage cash assistance (CBI – Cash Based Interventions) for basic needs to fill gaps, while linking it to comprehensive protection and durable solutions strategies. 3. Advocate for the inclusion of Persons of Concern into national social protection systems.	Governments, development actors, DFIs, FSPs, NGOs
Limited access to savings, credit, insurance and remittances	4. Advocate with central banks and telecommunications regulators, and partner with financial service providers (FSPs) and development financial institutions (DFIs) to enable Persons of Concern to access digital payments. 5. Assess measures undertaken by FSPs partners to restructure or suspend loan repayments during the crisis. 6. Identify additional FSPs for refugee inclusion in financial services. 7. Engage with DFIs and donors to find incentives for FSPs to extend services to PoC during and after the emergency	FSPs, central banks, DFIs
Loss of livelihoods	8. Build on existing successful job creation/placement, employability/training and self-employment interventions and identify new sectors and value chains with labour demand. 9. Strengthen synergies between UN agencies, DFIs/IFIs and the private sector.	Governments, DFIs, NGOs, private sector, IOs, UN agencies

## 2. Economic Impacts on Persons of Concern in the Americas

**The World Bank predicts that the global crisis caused by COVID-19 will plunge Latin America into a recession that contracts the regional GDP by 4.6% in 2020**, while the Economic Commission for Latin America and the Caribbean foresees a GDP growth of -5.3%.<sup>2</sup> The United Nations COVID-19 task team notes that Latin America and the Caribbean exports will decline by 10.7%. At the same time, the number of people living in poverty is projected to rise from 186 million to 220 million in 2020, and the number of those living in extreme poverty from 67.5 million to 90.8 million.<sup>3</sup>

**Persons of Concern to UNHCR have been disproportionately affected by the socioeconomic effects of COVID-19; as noted above, many have lost their income and are excluded from social safety nets.**

Countries with IDP populations (notably Colombia, where the government has recorded an estimated 7.7 million IDPs), are in a similar situation too. Nationwide lockdowns further affect PoCs' ability to secure a basic living. Due to their high rates of reliance on informal work, it is much harder for governments to reach their businesses and households with instruments such as tax breaks or wage subsidies ([World Bank](#)). The Coordination Platform for Refugees and Migrants from Venezuela ([R4V](#)) has highlighted that many sectors that employ Venezuelans (i.e. hospitality, manufacturing, services, construction, leisure and tourism) have seen their operations suspended or greatly reduced due to the pandemic and economic downturn.

**Financial inclusion<sup>4</sup> rates are low** for PoCs, who often have limited savings and limited access to banking services or credit ([R4V](#)). Unbanked business owners struggle to make ends meet and have few options of accessing credit from formal financial institutions or subsidies. Those who are struggling to meet their basic needs (shelter, food and healthcare), may ignore prevention measures imposed by governments and seek to bypass movement restrictions. This situation makes them more susceptible to COVID-19 and more prone to engage in negative coping strategies such as child labour, survival sex and human trafficking.

**Lockdown measures often prevent PoCs from their only means of earning a living**, even as they target laudable public health goals. Currently, lockdown measures were put in effect from mid-March to early June in most countries in the region. In some cases, gradual reopening (based on the economic sector or geographic region of a country) has been announced or rolled-out, while in other cases the measures have been extended. Without alternative means of meeting their basic needs, many PoCs struggle to comply with lockdown measures.

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<sup>2</sup> Dimensionar los efectos del COVID-19 para pensar en la reactivación. CEPAL. 21 de Abril de 2020.

<sup>3</sup> <https://www.un.org/en/un-coronavirus-communications-team/un-agencies-support-latin-america-countries-urgent-effort-stop>

<sup>4</sup> Financial inclusion is defined as access to affordable financial products and services that meet people's needs – transactions, payments, savings, credit and insurance – delivered in a responsible and sustainable manner.

Indigenous people of UNHCR concern (and to a lesser extent also other minorities, such as Afrocolombians, be they refugees, returnees, vulnerable host communities or IDPs) are likely to be disproportionately affected by this crisis. Indigenous people often lack basic ID documents, some cannot read, write or speak Spanish, often live in areas with no communications or electricity.

### 3. UNHCR's role in the COVID-19 response

**In line with the Global Compact on Refugees, responding to the COVID-19 and mitigating its socioeconomic impact on PoCs cannot be done by UNHCR alone and requires the engagement of a broad range of stakeholders, leveraging everyone's added value and strategic advantages.** UNHCR will continue to step up advocacy for the inclusion of PoCs in specific national responses to COVID-19 and their overall socioeconomic inclusion in general. This work encompasses inclusion of PoCs in national health responses, special social protection programmes, specific support programmes for MSMEs as well as outreach to PoCs to inform them of available opportunities. UNHCR's priority is to facilitate and advocate for the inclusion agenda, enabling and convening relevant stakeholders to include PoCs in services and programmes to the fullest extent possible. Gap-filling direct assistance is considered as a last resort in cases where the existing systems are not suitable or sufficiently reliable.

**Globally, UNHCR has a comparative advantage in mobilizing and coordinating partners;** providing outreach, socio-economic data on PoCs, an evidence base to support advocacy for inclusion, and context analysis (including age, gender and diversity dynamics as well as other protection considerations); tailoring support to the economic/occupational skill sets and demographic profiles of PoCs; accessing target populations; documentation, monitoring risks, arranging logistics and mobilizing resources among stakeholders.

In many country operations in the region, partnerships exist with a wide range of stakeholders and will be further strengthened. The nature of the partnerships is outlined in the *nine action points*. UNHCR has been engaging or exploring opportunities for collaboration with the following stakeholders:

- Financial Service Providers (e.g. commercial banks and microfinance institutions) and regulators such as central banks.
- Private sector, including but not limited to companies, chambers of commerce and industry, apex organizations, private employment services, private Technical and Vocational Education Training (TVET) providers, and business incubators;
- Development actors, including multilateral development banks and specialized agencies who can secure development expertise, funding and resources, as well as strengthened linkages with governments;

- NGOs, especially those with livelihoods expertise, are often well placed to implement market-based livelihoods interventions for PoCs, or to include them in existing services;
- Governments, especially relevant line ministries and agencies (such as Ministries of Labour, Employment, Education and Vocational Training, Social protection, Youth, public employment services, etc.);
- Local authorities such as cities, municipalities and provinces which have the potential to fill gaps left by national authorities in terms of inclusion of PoCs in services and policies;
- Regional organizations and mechanisms;
- UN agencies, especially sister agencies that have links to livelihoods programmes;
- Academia and research institutions; and
- Refugees' organizations.

## 4. Opportunities for UNHCR's Response in the Americas

### 4.1 Determining the impact of COVID-19 on refugee's livelihoods and adjusting eligibility criteria

#### **ACTION 1: Assessments**

To promptly and appropriately respond to the needs of PoC, UNHCR considers carrying out rapid assessments of COVID-19's socioeconomic impact on PoC's livelihoods. These studies should segment PoC workers and business owners (formal and informal) and define the parameters that would qualify them or not for targeted interventions. The appraisal would gather information on the economic impact of the virus on business' revenues, operating costs, hiring and salary of employed staff, the ability to access and reimburse any outstanding loans, workers' situation in terms of job losses, income, and working conditions, coping mechanisms; and capacity to meet basic needs. Studies have been undertaken by governments, international organizations and NGOs, for which UNHCR advocates for PoC inclusion (co-financing will be considered). UNHCR is advocating with the WB for the inclusion of PoC in socio-economic impact of COVID-19 phone surveys, and with the UNHCR-WB [Joint Data Center](#), to plan specific studies. UNHCR may also produce own assessments based on the ILO's guidelines for "[Rapid Assessment on the impact of COVID19 on enterprises and workers in the informal economy in developing and emerging countries](#)" (ILO, April 2020)<sup>5</sup>. or the Refugee Self-Reliance Index<sup>6</sup>, which gives a snapshot of multi-dimensional poverty levels.

<sup>5</sup> [https://www.ilo.org/wcmsp5/groups/public/---ed\\_protect/---protrav/---travail/documents/publication/wcms\\_743032.pdf](https://www.ilo.org/wcmsp5/groups/public/---ed_protect/---protrav/---travail/documents/publication/wcms_743032.pdf)

<sup>6</sup> <https://www.refugeeselfreliance.org/>

## 4.2. Meeting basic needs, through inclusion in national social protection systems and (digital) cash transfers

Since the start of the COVID-19 crisis, [national social protection schemes in the form of cash transfers have been increasingly used by governments](#) and response agencies to protect people as well as to support local economies. Empirical evidence shows that cash transfers can save lives and, if properly designed, can help people stay out of poverty. UNHCR will increasingly seek to link cash transfers and livelihoods support from the outset of a programme in order to most effectively leverage cash's ability to prevent loss of productive assets and sustain livelihoods.

### **ACTION 2: Streamline and leverage the use cash assistance for basic needs, while linking to comprehensive protection and durable solutions strategies.**

Where it isn't already doing so, UNHCR will **advocate for the inclusion of PoCs in cash transfer programmes** expanded or started by governments in the Americas region with support from multilateral development banks such as the WB and the Inter-American Development Bank (IDB). Each UNHCR operation is developing its CBI programmatic orientations in order to refine modalities and have clear-cut objectives to be achieved with CBI. In addition to allowing UNHCR to plan for CBI direct implementation, such programmatic orientations will also step-up our NGO partners capacity to implement impactful cash transfers programs and to support advocacy for PoCs inclusion in social protection and safety nets national programmes. So far successful partnerships have been developed, for example, in Ecuador (working with supermarkets to extend credits to customers), Panama and Peru, (offering emergency rent payments and access to essential medicines).

Since 2019 UNHCR has been strengthening its capacities and those of its implementing partners but funds limitations are preventing CBI from expanding and ensure the basic needs of PoC in the Americas are fully met. Significant additional resources and strategic alliances would be required to cover those needs. Investments in livelihoods opportunities, in particular through cash, are not effective if basic needs are not met. Experience suggests that a family would then use the livelihoods grant to buy food, shelter or other utilities.

In line with the **Strategic Directions for CBI** in the Americas developed in 2019, UNHCR is currently pursuing the following key objectives:

- **Streamline and leverage of use of CBI** to: a) respond to immediate emergency needs through unconditional emergency cash grants; b) set-up transitional cash transfers for basic needs for the most vulnerable; and c) leverage CBI to promote financial inclusion.

- **Advocate with Central Banks** for access of Persons of Concern to financial services and with Governments for inclusion of Persons of Concern into national social protection schemes.
- **Embed cash assistance in comprehensive Protection and Durable Solutions strategies from the outset, with the goal of promoting sustainable solutions and self-reliance.** A sound targeting methodology leads to an early identification of potential beneficiaries of livelihoods programs among those targeted by CBI. For extremely vulnerable cases integration in social protection schemes is the only sustainable solution.
- **Strongly engaging in Cash Coordination and work with partners.** Donors are increasingly emphasizing that the cash response under COVID-19 (but not limited to) must be done in partnership through common and joint programming. UNHCR recognizes that common programming can be achieved by actively participating into national CBI working groups and is aware of the opportunity to partner with UNICEF and WFP, who are further ahead in leveraging social safety net in collaboration with governments. Furthermore, other bilateral approaches are being evaluated and/or implemented, such as the case with the UN Common Joint Statement where UNHCR, WFP, UNICEF and OCHA have agreed to move forward with such complementary and/or harmonized efforts related to CBI. UNCHR is ensuring relevant linkages with the Regional Inter-Agency Coordination Platform, led by UNHCR and IOM, in the specific case of VenSit.

**CBI in Mexico**, as for other UNHCR operations globally, is used to deliver assistance to meet defined objectives and assessed needs, across a variety of sectors. In line with the Strategic Directions for CBI in the Americas, UNHCR Mexico is giving greater attention to the inclusion of PoCs in national social protection systems, as an exit strategy from humanitarian assistance. CBI is fully embedded in the broader protection and solutions strategy and therefore is not a program in isolation. It is **currently used to**: a) cover immediate basic needs; b) support immediate protection needs related to health and shelter; and, c) promote education, livelihoods and other objectives related to local integration. Examples of the latter are covering school enrolment or mandatory education, accelerated education programs for primary and secondary education certification, literacy programs, revalidation/recognition of diplomas issued in country of origin, examination for high school certification, support for tertiary education, vocational training and certification of skills. Furthermore, cash is provided for regularization and naturalization.

CBI is implemented through a financial service provider (FSP) and a prepaid cards system which offers best value for money (1.74% of the disbursement volume with cards provided for free). Most of the cash assistance is provided to asylum seekers for a limited period (one to three months) while they're waiting for the documentation allowing them to work formally. The shorter is the waiting period, the lower the cash assistance required. Similarly, cash is provided as a support to the integration of refugees relocated from the southern border to the center and north of the

country, namely until they receive a job offer and find accommodation. CBI will also be leveraged to promote financial inclusion through liaising with CNBV (Comisión Nacional Bancaria y de Valores) and key players in the banking sector.

### **ACTION 3: Advocate for the inclusion of PoCs in National Social Protection Systems and social safety nets.**

In recent years, countries in the region have adopted innovative social protection measures, which have been an important part of public policies and to which considerable resources have been allocated. In recent years the region stood out for having achieved an unprecedented expansion of social protection by adopting innovative measures, for having established a strong institutional framework for the implementation of social protection programs and for following a strong rights-based approach. UNHCR will therefore step up its advocacy effort for the inclusion of PoCs, particularly in social safety nets expanded or started by governments with support from multilateral development banks in response to COVID-19. UNHCR has been building up its knowledge of social protection systems and, following recommendations from a 2018 study<sup>7</sup>, will continue to foster its internal capacities; to develop strategic relations with relevant national authorities, international organizations and interested donors; and to continue identifying barriers to inclusion and ways to overcome them

According to a recent [WB-ILO report on social protection in response to COVID-19](#), cash transfer programs remain the most widely used social-assistance interventions by governments: these include 143 programs in 81 countries. This whole cash-based portfolio represents over a third of all the social protection programs (33.8%) and nearly two thirds (70.9%) of social assistance schemes. It is estimated that 603 million beneficiaries are specifically supported by COVID-19 related introductions, expansions, and adaptations of cash transfer-based social protection programs. OECD compiled a list of [country policy responses](#). The [World Bank-ILO data](#) further shows that regional governments are taking significant steps to improve social safety nets. Cash transfers are leveraged to reach informal workers in several ways, for example: building on existing national social registries, introducing new online platforms for claiming cash transfers, offering waivers for utilities such as electricity, mortgage payments and payments for healthcare and social security based on taxation data, establishing city-level schemes and introducing one-off cash transfer payment programs.

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<sup>7</sup> “La incorporación de las personas refugiadas en los programas nacionales de protección social no contributivos (asistencia social) en las Américas ¿Cómo avanzar? – Incorporating refugees in national non-contributory social protection programs in the Americas, how to advance?”, UNHCR – UNRISD July 2018.

### 4.3. Access to Financial Services

FSPs in the Americas as elsewhere have been hit very hard by the crisis. Nevertheless, this is the time when refugees need access to finance more than ever. UNHCR prioritizes engagement with FSPs partners to **monitor actions** taken regarding to financial services offered to PoCs, particularly credit, savings accounts (e.g., to receive direct deposits for salaries) and remittances – and to continue to advocate for access to financial services with new FSPs.

UNHCR has made significant efforts towards creating sustainable partnerships to foster financial inclusion for private individuals and business owners in several countries in the region. Partnerships with FSPs – especially microfinance institutions and banks – have been established in Colombia, Ecuador, Peru, Brazil, Panama and Argentina which will be closely monitored during this time of emergency, especially as regards access to credit services. As signalled by the [UN framework for the immediate socio-economic response to COVID-19](#), UN has developed strong partnerships with IFIs which UNHCR will rely on to fill gaps regarding impact assessments, analysis and policy advocacy.

UNHCR has been promoting financial inclusion of PoCs also through specific **workshops for Financial Service Providers** with the objective of a) raising awareness amongst FSPs and Central Banks of the financial services needs of refugees; b) show FSPs the business case to serve refugees; c) establish new partnerships with FSPs and d) advocate for change in banking regulation whenever needed. So far, the workshops carried-out in Brazil, Ecuador, Argentina and Peru have generated a highly positive impact in terms of direct individual access to credit and/or the creation or adaptation of existing microcredit schemes. UNHCR and its partners have also signed agreements to set-up specific financial inclusion projects.

#### **ACTION 4: Advocate with Central Banks and partner with Financial Service Providers (FSPs) and Development Financial Institutions (DFIs) to enable persons of concern to access Digital Payments.**

Advocate with central banks for access of Persons of Concern to financial services, focusing on digital payments in the context of COVID-19. Because access to digital payments requires legal access to connectivity services, UNHCR is liaising with telecommunication regulators in the region to highlight legal and regulatory obstacles and ease SIM card/IMEI registration processes. Where full-fledged access to financial services is not possible or realistic due to someone's irregular status, UNHCR advocates for tiered

Know Your Customer (KYC)<sup>8</sup> requirements that allow PoCs access to partial financial services (e.g. prepaid cards with transaction limits, cardless ATM withdrawals, digital payment limits based on lowered ID requirements). UNHCR is also exploring collaboration with financial technology (Fintech) firms and interested partners, such as International Finance Corporation (IFC), to seek additional opportunities for inclusion and digital payments. A key challenge in this regard is the lack of systematic registries, which UNHCR may be well suited to help establish.

The **UNHCR Innovation Service**, under its Digital Access, Inclusion and Participation programme, is working on “Connectivity for Refugees”, an initiative which aims to ensure that displaced populations and the communities hosting them have access to technology that enables them to build better futures for themselves. UNHCR promoted conversations with telecommunications regulators and relevant institutions to eliminate legal and regulatory barriers, influence policy changes and enable conducive legal frameworks facilitating legal access by refugees, migrants and other forcibly displaced populations to connectivity. A recent [study](#) conducted by the Innovation Service in Chile, Colombia, Brazil, Ecuador and Peru highlighted that barriers related to ID requirements and documentation persist to access connectivity. ID-related requirements and proof of residence in a country represent barriers to access financial services for PoC.

Facilitating refugees’ linkages with fintech is an area in which UNHCR will explore in collaboration with partners such as the WB and IFC. IFC, for example, is providing liquidity to their bank clients and linking them up with fintech firms in the region to facilitate access to digital financial services to people. Under the auspices of the GRF, NGOs also made pledges relating to digital and scalable cash-delivery mechanisms. Further, UNHCR is working with several partners, such as HIAS, to [pilot new digital delivery mechanisms](#).

### **ACTION 5: Assess measures undertaken by FSPs partners to restructure, reschedule or suspend loan repayments during the crisis.**

Operations are assessing, with existing FSPs partners, which measures have been undertaken to support their PoC clients during this time. The goal of these assessments is to ensure throughout both the emergency and the recovery phases, FSPs have reduced cash demands on low-income households by delaying and/or reducing loan repayments and service fees on financial transactions. At this time, in fact, it

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<sup>8</sup> Know Your Customer (KYC) is the process of a business verifying the identity of its clients and assessing potential risks of illegal intentions for the business relationship (sometimes also referred to as Customer Due Diligence, CDD). The term is also used to refer to the bank regulations and anti-money laundering regulations which govern these activities.

is vital to ensure that the cash these households have available can focus on consumption and supporting health care costs — rather than repaying debts.

FSP's capacity to apply flexible schemes depends on liquidity, because of rising risks of potential losses due to non-repayments. The ability of FSPs to promptly respond to the clients' needs strictly depend on negotiations with their investors and directives of the central bank (including the possibility to waive reporting non-payment to the credit bureaus to avoid affecting clients' credit history and FSPs' own costs).

**UNHCR**, the **Panamanian Red Cross** and **Microserfin**, an entity of the BBVA Microfinance Foundation, are carrying out a financing project for refugee and asylum-seeker entrepreneurs. Thanks to Microserfin loans and Red Cross support in the design of business plans more than 145 entrepreneurs have been able to create small businesses. The impact of the pandemic crisis on these businesses led Microserfin to grant grace periods of 30/60/90 days to its clients, including refugees and asylum-seekers. UNHCR's position is to advocate for the further extension of those periods and support Microserfin resolving such issues.

#### **ACTION 6: Identify additional FSPs for refugee inclusion in financial services.**

With the ongoing emergency it is likely that recently engaged FSPs, with whom no partnership has yet been established, will choose to lower their risk appetite for specific new client segments – such as refugees – and decide to focus on loan disbursement to known client segments in the short term. UNHCR is assessing, with FSPs, whether and how their refugee-specific plans are going to be affected by this development. Of course, UNHCR continues to advocate for their inclusion in financial services, as now more than ever quick access to these services is vital. UNHCR will encourage FSPs to take advantage of the microfinance crowdfunding platform [Kiva](#), a UNHCR partner which has created a specific debt funding facility for FSPs lending to refugees.

#### **ACTION 7: Enhance engagement with DFIs and donors to find incentives for FSPs to consider extending their services to refugees during and in the aftermath of the emergency.**

UNHCR is engaged with key actor with an interest in refugee self-reliance to find blended finance solutions that could incentive FSPs to serve refugees during and in the aftermath of the emergency. These interventions have the potential to bring together public and private funding to attract investments by mitigating or partially transferring risk to DFIs and donors (e.g., by co-investing, providing technical

assistance, funding market research and creating guarantees). For example, the **EU** is currently mobilizing around EUR 1B for the region. They expect to channel a “significant amount” through the United Nations system to benefit people at “most risk” including migrants, refugees, IDPs and host communities.<sup>9</sup> Given the EU’s support to the region during this emergency, UNHCR engagement with the European Investment Bank aims to assess whether risk-sharing facilities can be created to benefit refugees. UNHCR has already established a relationship with **IFC** in Brazil, Colombia and Peru to increase access to financial services provided by large bank partners of IFC in the region. IFC is planning market-scoping assessments on financial inclusion in these countries. The goal is to identify market opportunities and business potential for serving PoCs, engage with selected FSPs to provide investment and advisory services for improving business models, to reduce perceptions of risk and to expand their portfolios in a sustainable and responsible manner.

#### 4.4. Restoring Livelihoods

Unemployment and lack of demand in sectors typically employing refugees are dramatically increasing poverty rates among PoC. UNHCR’s current approach to livelihoods is guided by a market system development model which, in line with a whole-of-system approach, recognizes that socioeconomic inclusion of refugees must materialize in an “eco-system” of many interacting and interdependent parts. As expressed in the [Concept Note on Refugee Livelihoods and Economic Inclusion](#), UNHCR is strongly positioning itself in a **convener role**, therefore its action is now centred around a systematic engagement with governments, public and private employment services, NGOs, the private sector, TVET institutions, international organizations, UN agencies, academia, research institutions and other organizations specialized in providing livelihoods and employment to nationals and/or refugees. In Colombia, UNHCR is talking with SENA (the national TVET institution) on the possibility of supporting the inclusion of refugees and migrants in virtual TVET courses. Similar discussions are expected to take place in other countries. Looking ahead to the economic reactivation phase, UNHCR has also started to work on labour mobility schemes, so that these can be implemented once the economy starts to open-up. In Colombia, UNHCR is considering supporting the government with the design of a strategy on domestic labour mobility (namely, to identify PoC candidates in the border areas, match them with jobs in the interior, and support their relocation with CBI and local integration services), as well as with a consultancy to assess the feasibility of a regional platform for integrating the public employment services of countries participating in the Quito Process. UNHCR is considering the feasibility of an international labour mobility that would facilitate job matching and relocation of PoCs in Colombia and Peru to hard-to-fill jobs in Canada.

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<sup>9</sup> The “Economic response” is 1) re-orienting support to national governments 2) investigating access to loans and guarantees 3) Support private sector through loan guarantees, technical assistance and increased access to liquidity support, working capital and trade finance. For example, the EU agreed to support Dominican Republic through the DEVCO-funded Inclusive Cities project. The project is being reprioritized to include a larger part of assistance through CBI.

[Empresas com Refugiados](#) – **Companies with the Refugees** – is an initiative jointly developed by UNHCR and the Brazilian chapter of the UN Global Compact to promote integration of refugees and asylum seekers in the national labour market. The platform shares corporate practices refugee integration in the country, provides information about refugees, reference materials, relevant research and orientation on how to contract refugees. Launched in April 2019 in São Paulo, it has promoted sensitization events with the private sector in Curitiba, Manaus, Belo Horizonte and Rio de Janeiro. More than 5,000 Persons of Concern participated, 1,500 found employment and 25 business cases have been included in the platform so far.

[Talent without Borders](#) is part of a longstanding effort to build multi-stakeholder interventions. UNHCR Panama's flagship program was designed in partnership with Manpower and the NGO HIAS. Manpower is a global leader employment/staffing firm; its core business is to match employers to employees. The program, started in late 2018, helps foster refugees' inclusion through its four components: employability, communication, motivation and intervention with private companies. Already in May 2019, TsF was included in the resilience strategy set-up by the Municipality of Panama as a contribution towards the full integration of refugees in the national society. The program has formed alliances with 17 private sector companies, and it has been estimated that its participants have contributed to a USD 200k GDP increase.

In Costa Rica UNHCR convened a private-public alliance between the Ministry of Labour and Social Security, the Chamber of Commerce, the Chamber of Industry, and the Diversity Chamber of Commerce in order to offer greater employment opportunities to refugees through access to public employment services. The initiative, [Vivir la Integración](#) (Living the Integration), also developed a "seal", based on the ISO 26000, which allows organizations from all sectors (local authorities, private and public sector, academia y civil society organizations) to be recognized as contributing to the socioeconomic integration of PoC.

To ensure results-driven planning and implementation of livelihoods programs, UNHCR has adopted the **Minimum Economic Recovery Standards** (MERS) at the country level. Developed by the SEEP network, MERS reflect industry consensus on best practices for economic recovery in emergency and crisis contexts. The standards are designed to be used pre-crisis, in the earliest days of response, through recovery, and at the beginning of longer-term development. In 2020 in Ecuador, UNHCR has rolled-out an online training to familiarize partner organizations with the concept and the use of MERS, after introducing NGO partners and government officials to the concept in trainings in several countries in 2018 and 2019. UNHCR's strategic engagement with ILO on skills and titles recognition will be pivotal, as ILO pointed out in its [April policy brief](#), to enable refugees to take up employment opportunities arising in the **health care sector** due

to the pandemic. Peru and Argentina are developing expedited procedures for the recognition of professional qualifications of Venezuelans, at least for the duration of the the pandemic. The Ministry of the Interior of Mexico, through the Commission for Refugee Aid and UNHCR has allowed the incorporation of PoC with health training. As of July 2020, 114 refugees with professional health profile have been identified, including doctors, nurses and paramedics.

Since 2016, **UNHCR** and **Compassiva**, a CSO serving vulnerable children, young people, women and refugees in São Paulo, work hand in hand to facilitate titles' revalidation for PoC. In Brazil, the procedures include submission of several documents to a public university responsible for evaluating each diploma's equivalent in the Brazilian system. The procedures are complex, expensive and often lengthy – and PoCs often do not possess all the required documents. The UNHCR-Compassiva [project](#) has mapped out universities, procedures and financial needs to complete the process. Based on the mapping, PoCs have been surveyed and a working group managing the increasing demand for validation has been established.

UNHCR through a partnership with **Chilevalora** (the Commission of the National System of Certification of Labour Competencies) and IOM, is supporting Venezuelans in their bids to get their skills certified. Sixty-six of them with experience as salespeople or call centre executives, after being evaluated by the commission, have been granted an official certificate of recognition of their labour competencies. With nationally recognized certificates boosting their employability, they can now access better jobs.

In order to develop a **comprehensive sub-regional response** for the socioeconomic recovery of refugees and migrants in the emergency and post-emergency phases, UNHCR has organized **multisectoral national consultations** in Argentina, Bolivia, Paraguay and Uruguay. The consultations included more than 160 representatives of relevant national and local authorities and institutions, as well as PoCs, civil society organizations with expertise in socioeconomic inclusion, the private sector, UNHCR partners and UN agencies. The consultations focused on gaps, challenges and response capacities to counter the socioeconomic impact social confinement on the livelihoods of refugees and migrants, which were consolidated into a **comprehensive response** to be implemented at the national level in collaboration with the specialized actors convened. The response revolves around strategically matching PoCs' profiles with the governments' incentives programs for employment and self-employment, as well as the economic sectors that still have the capacity to operate and absorb, or niches that present specific opportunities for filling unmet demands in the labor market. Specific **project profiles** were identified and can now be presented and negotiated with potential donors. The total estimated budget for the identified interventions, in this first stage, is USD 5.8M of which only 62% (USD 3.5M) is required from donors. The remaining part will be covered with contributions made available by the different local counterparts, including governments

and civil society organizations. The proposed interventions facilitate the integration of a total of more than 7,900 people directly and indirectly reach more than 23,000. This implies that, on average, they cost USD 726 per direct participant per year.

### **ACTION 8: Build on existing job creation/placement, employability and self-employment interventions and identify new sectors and value chains with labour demand.**

UNHCR will step up its engagement with labour market experts<sup>10</sup>, governments and employers who can identify value chains in alternative industries/sectors in which refugees can be employed, and which offer high or increased demand. The pandemic has unfortunately suspended many presential vocational and technical trainings aimed at boosting employability of refugees. UNHCR is switching to remote forms of training and will foster the uptake of online training initiatives such as *Coursera for Refugees* in the region. This initiative, launched in 2016, provides access to Coursera's catalogue at no cost to over 26,000 refugees around the world. Through the partnership with NGO HIAS, market assessments have already been carried out in Costa Rica and Panama, and others are in the pipeline. Similarly, UNHCR's collaboration with **ILO** has resulted in market studies in Brazil and Dominican Republic. Given the uncertainty of the economic outlook at the end of pandemic, it will be crucial to harness such partnerships for relevant and updated market analysis and information. UNHCR is fully committed in supporting ongoing government job placement efforts. In 2018, motivated by the influx of Venezuelans across its northern border, the Brazilian government started implementing the **Interiorization Program**. Aiming to promote local integration and livelihoods opportunities, it relocates Venezuelans from vulnerable settings in Roraima and Amazonas to other cities with more integration opportunities. So far it has benefited more than 31,000 Venezuelan refugees and migrants, comprising of five different modalities: "shelter-to-shelter", "family reunification", "employment based", "social reunion", and "civil society". In the "shelter-to-shelter" modality, PoCs are hosted in shelters in a destination city for up to three months and are supported in socioeconomic integration. UNHCR's advocacy with the private sector was crucial for the development of the "employment-based" modality which creates a pathway to relocate Venezuelans based on matching their professional skills with companies' needs in the country.

The [Poverty Alleviation Coalition](#) convened by UNHCR and the World Bank's Partnership for Economic Inclusion in 2019, includes 13 INGOs with expertise in poverty alleviation and local economic development. PAC will adopt the well proven poverty alleviation model – the Graduation Approach – which features a combination of consumption support, development of market-oriented skills for self- and wage employment, cash/asset transfer, access to savings, financial inclusion, social and legal services and mentoring. It has showed strong results with 95% of participants graduated out of poverty in a review of the creator (BRAC) in 43 countries. UNHCR already adapted the model to suit PoC needs and implemented it in two countries of the region,

<sup>10</sup> These may be labour market consultants, ILO, NGOs, private sector firms, international organizations etc.

Costa Rica and Ecuador. The latter prompted the signature of an MoU with the government to provide support in integrating elements and activities of the model in the national social security system. PAC has prioritized six countries in the region, Ecuador, Panama, Peru, Colombia, Brazil and Costa Rica. UNHCR is contributing to the development of proposals and will endorse NGOs' fundraising efforts.

At the end of 2019, **Tent Foundation and IDB** teamed up to mobilize businesses operating across the region to respond to the Venezuelan crisis. Last year, [a number of private sector companies pledged to support over 2,000 refugee-owned businesses and create 4,500 new jobs](#). **UNHCR is following up with these stakeholders to get updates on these pledges, including on whether hiring plans of refugees have been affected by the emergency. UNHCR will follow up with other NGOs regarding** several other pledges related to value chains.

**MADE 51** is a UNHCR owned global brand of home decor and accessories crafted by refugees, in collaboration with social enterprises around the world. The initiative combines the capabilities of local social enterprises with the skills of refugee artisans to create innovative, market-based models for the economic inclusion of refugees. In the light of COVID19, they have initiated facemask production in many places. UNHCR, in collaboration with the World Fair Trade Organization and social enterprises, verifies the ethical compliance of business relationships and that refugees' products can compete on international markets.

### **ACTION 9: Strengthen synergies with UN agencies and DFIs/IFIs and ties with private sector.**

In Colombia, UNHCR collaborates not with ILO and the Ministry of Labour to train labour inspectors on the employment rights of Venezuelan workers, and also on an inter-agency socio-economic analysis of COVID impacts, in order to ensure the analysis includes a protection lens. Following the [UN framework for the immediate socio-economic response to COVID-19](#) guidance on using existing structures under the leadership of the Resident Coordinators, UNHCR will join efforts with UNDP which has been designated as the technical lead in the early-recovery response and has already produced much analyses. The R4V platform continues to be the coordination mechanism to ensure Venezuelan refugees and migrants are integrated into responses of international organizations.

UNHCR, in its convening role, has increasingly sought to engage with the private sector, including through several [private sector forums](#) held so far in Panama, Costa Rica, Brazil, Ecuador, Chile and Argentina. The events brought together the private sector, development actors, governments, refugees, UN agencies, civil society, PoCs and other stakeholders to highlight refugees' positive social, cultural and economic contributions and advocate for their inclusion in labour markets as well as support to refugee and host community entrepreneurs. Forums also facilitated the flow of information between private sector and Governments, with the latter providing guidance about refugees' right to work. Likewise, the private sector had the chance to voice its views and point out concerns about other bureaucratic barriers to hiring refugees.