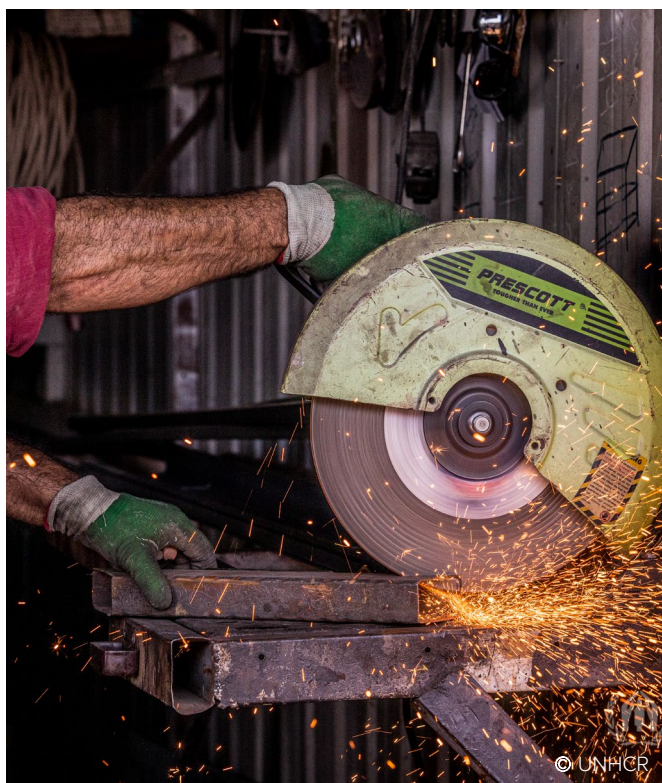


# REFUGEE LIVELIHOODS AND ECONOMIC INCLUSION

## UNHCR Iraq Strategy 2023 - 2024

Refugees residing in Iraq have limited prospects for returns; hence, the average length of their stay in Iraq is of eight years.<sup>1</sup> Given the protracted nature of displacement, UNHCR recognises the need for approaches for refugee inclusion in existing local systems to support their socio-economic self-reliance and make them less dependent on foreign humanitarian aid.<sup>2</sup> Supporting refugee economic inclusion is aligned with the Global Compact on Refugees' objectives of **easing pressure on Iraq** and **enhancing refugee self-reliance** and reflect the overarching aim of **leaving no one behind** of the Agenda 2030.<sup>3</sup>

Refugees represent approximately 1% of the total working-age population in Iraq.<sup>4</sup> Facilitating access to decent work and economic opportunities for refugees builds their capacities to attain a dignified solution in exile while enabling them to contribute to the local economy. **When refugees can effectively participate without discrimination in the local market, they contribute as employers, employees, and clients.**



### VISION

All refugees have enhanced resilience with expanded access to social protection, livelihoods and financial inclusion and a greater ability to participate and contribute to the local economy.

<sup>1</sup> Despite the average length of stay, authorities are not currently considering options of naturalisation.

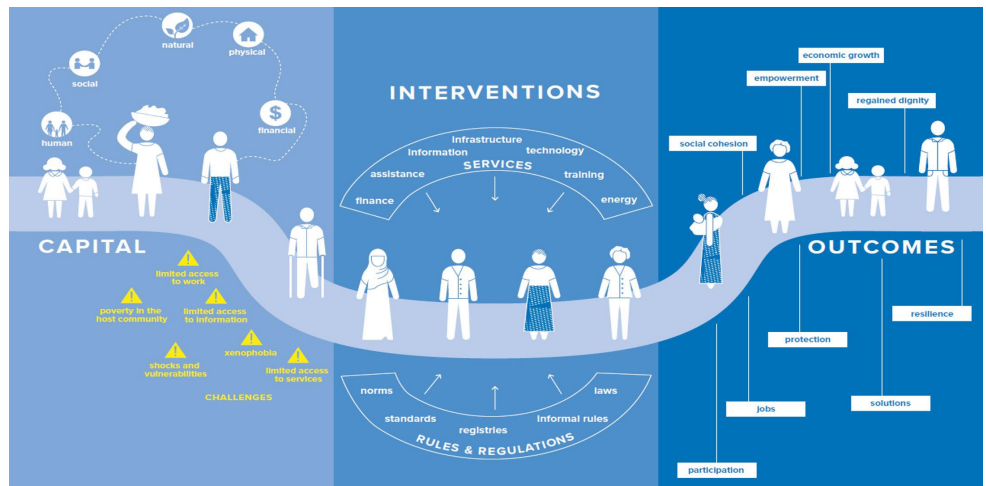
<sup>2</sup> UNHCR, Strategic Directions 2022 – 2026

<sup>3</sup> Refugees' economic inclusion supports and contributes to the realisation of SDG 1 (no poverty), SDG 8 (decent jobs and employment) and SDG 10 (reduced inequalities).

<sup>4</sup> According to Iraq Labour Force Survey, the working-age population (15 years old and over) living in regular households constituted about 26'091'000 persons in 2021. Government of Iraq, Iraq Labour Force Survey 2021

## Theory of Change

By enhancing refugees' capital while supporting their inclusion in the local system and economy, refugees will become less reliant on foreign humanitarian aid, more socio-economically self-reliant and further resilient to economic shocks while, at the same time, contributing to the economic growth of Iraq.



UNHCR aims at ultimately achieving refugee economic inclusion, which depends not only on their access to a wide range of support services, including finance, education at all levels, and job placement services but also on a conducive enabling policy and legal environment as well as socio-cultural norms and practices.

The overarching aim of economic inclusion is to build the self-reliance and resilience of refugees. Refugees in Iraq are vulnerable to security, environmental and health-related shocks, like the rest of the Iraqi Kurdish population. Enhancing their self-reliance, taking into account their unique profiles that may further impact their resilience, will give them the ability to absorb and recover from shocks while continuing to function and adapt in a way that supports long-term prospects for sustainable development.

## UNHCR's Approach



UNHCR will implement its vision by advocating and convening a range of stakeholders to build the foundation for refugees' access to rights, services and markets on par with the rest of the population. This means UNHCR will promote their inclusion into the existing ecosystem and avoid creating parallel systems solely for refugees through siloed implementation approaches. Rather, to the extent possible, UNHCR's priority will be to play a catalytic role, enabling relevant stakeholders to include refugees in their services and programmes, in line with the refugee inclusion agenda.

UNHCR recognises that refugee inclusion by relevant stakeholders, be they public or development actors, may require the provision of incentives by UNHCR, including eventually through a financial contribution. In this respect, a multifunctional team will convene to determine the feasibility of implementing pilots along the way of the implementation of this strategy.<sup>5</sup>

<sup>5</sup> Implementation can take place through UNHCR's Area-Based Programming for Protection and Solutions (A2PS).

Such decisions will be based on the **(i)** nature of the incentive, **(ii)** suitability of the programmatic interventions to address refugees' specific needs regarding their economic inclusion, **(iii)** the market relevance of the intervention, **(iv)** capacity of relevant stakeholders engaged and **(v)** feasibility to handover the interventions to relevant actors in the longer term to ensure sustainability.

### Between 2023 and 2024, UNHCR will have three Strategic Outcomes

- (i)** Iraq's legislative and regulatory environment remains conducive for refugee economic inclusion.
- (ii)** refugees have access to local supporting services, are included in poverty reduction efforts, and integrated into local market systems.
- (iii)** refugees have enhanced individual and household capital, improved capacity to face shocks and stressors, and greater ability to participate and contribute to the local economy.

## Strategic Outcomes

In line with Iraqi development plans and SDG implementation frameworks (UNSDCF), between 2023 and 2025, UNHCR will have the following strategic outcomes:

**Note:** the strategic interventions highlighted in italics below will be prioritized by UNHCR.

### Rules & Regulations

**Outcome 1** Iraq's legislative and regulatory environment is conducive to refugee economic inclusion.

*Advocate for the inclusion of refugees in national statistical systems and surveys and increase data and evidence on refugee socio-economic conditions to inform public policy development.*

Assist Iraqi authorities in adopting legislative and policy initiatives that safeguard refugees' rights to meaningfully engage in the job market, aiming at achieving, to the extent possible, a level of parity with the local community.

*Support Iraqi authorities to establish and uphold rules and regulations governing refugees' access to social protection and financial inclusion.*

### Supporting Services

**Outcome 2** Refugees have access to local supporting services, are included in poverty reduction efforts and are integrated into market systems.

*Advocate for the inclusion of refugees in local services supporting economic inclusion, including finance, business development, and job placement.*

*Support UN partners to include refugees in their planning cycle and work plans to ensure they are included in their programmatic interventions across the UNSDCF.*

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



*Support stakeholders in their targeting and inclusion of refugees by facilitating referrals, including through the sharing of relevant socioeconomic data, demographics and protection considerations.*

Support the development of local institutions' capacity relevant to refugee economic inclusion through sustainable and adequate development assistance.

Map administrative, social and cultural norms and practices that might hinder refugee access to economic inclusion.

## Individual and Household Capital

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

Deliver protection-sensitive measures influencing economic inclusion outcomes, including education at all levels, civil documentation, and cash transfers.

*Provide refugees with information on relevant supporting services and opportunities via pertinent channels accessible to different groups.*

Support relevant stakeholders in assessing leading sectors of market demand, value chains, and sectors growing or in which market demand is not currently being met that are relevant to refugees.

Support refugees' access to employment opportunities in third countries through labour mobility schemes.



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## Outcome Indicators

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

## I Guiding Principles

### Leave No One Behind

A core principle of the 2030 Agenda is to ensure that the progress towards achieving the Sustainable Development Goals reaches everyone, hence leaving no one behind, including refugees.

UNHCR is cognisant that the economic inclusion gap persists for many Iraqis and other population groups; therefore, UNHCR will not advocate for creating distinct measures to advance refugee economic inclusion but seek to strengthen access by refugees to existing systems.

### Partnership and Coordination

Given the scale of investment and expertise required to promote refugee economic inclusion, well-coordinated partnerships are critical to achieving the outcomes of this strategy. Refugee economic inclusion requires the contribution of various teams within UNHCR, protection in particular, and external partners, primarily public authorities but also the private sector.<sup>6</sup>

UNHCR will provide relevant data and technical support, where necessary, to the UN partners, financial institutions such as development banks; donors and their technical cooperation agencies; academia; and humanitarian, development, and civil society organisations. UNHCR, in its role as convener, will engage with a range of stakeholders, facilitating communication between them and encouraging strategic harmonisation among the portfolios.

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### Evidence-Based Advocacy

Advocacy efforts will be anchored in UNHCR's mandate to provide protection and solutions to refugees. UNHCR recognises that given their status, refugees do not have access to the foremost livelihood opportunity in Iraq, i.e. civil servant positions. With most of the other Iraqis working in the informal market economy, UNCHR will seek to provide data on refugee access and treatment at the workplace in comparison with other population groups (e.g., locals and migrants) to identify if there are unique obstacles to the attainment of similar access and treatment. In parallel, UNHCR will work with other UN partners to address shortcomings for all.

Advocacy will also be grounded on an evidence-based demonstration of the positive impact that refugee economic inclusion can have on refugees themselves, the local community and the overall economic growth of Iraq. Here, UNHCR will catalyse support from relevant stakeholders to demonstrate through research that refugees positively contribute to the economy. Comparisons of refugee socio-economic data with those of local communities will be necessary to link UNCHR's current interventions (e.g., cash) with national poverty alleviation.

### Sustainability

Livelihood and Economic Inclusion efforts will be market-driven, ensuring that livelihood and economic inclusion opportunities for refugees are appropriate and sustainable in the context of Iraq. Interventions to foster sustainable livelihoods will support refugees to be included in sectors with market potential beyond the period of support by external partners.

<sup>6</sup> Including the private sector represented in the informal economy.