

Sustainable livelihoods for refugees in protracted crises

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Question

What evidence is there about what has worked in supporting refugees in protracted crises to build sustainable livelihoods, with a particular focus on MENA and especially Palestinian refugees? Activities such as employability and entrepreneurship support, microfinance, and technical & vocational training are of particular interest.

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1. Overview

This report summarises recent evidence on what works in supporting refugee livelihoods in protracted crises. Particular attention is given to the work of the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) in developing livelihoods for Palestinian refugees living inside and outside camps in the MENA region¹. Refugee livelihoods programming is understood here as activities that promote wage employment or self-employment through skills and vocational training, microfinance, business development and job placement (Feinstein International Center, 2012).

Much of the literature in this area acknowledges the widespread constraints to livelihoods development in refugee settings. These include a disabling policy environment, low levels of social capital, poverty, and weak baseline levels of training and skills (See: Crawford, Cosgrave, Haysom, & Walicki, 2015; Jacobsen & Fratzke, 2016; Rohwerder, 2016). Measures to support self-sufficiency in situations of protracted population are often severely hampered by restricted freedom of movement, weak tailoring of interventions to local economic conditions, and the short-term or the small scale nature of some programmes (McLoughlin, 2013). The political context for supporting refugee livelihoods can also be hostile and prohibitive: host governments can be resistant to any form of livelihoods programming that promotes the ability of refugees to work and therefore compete with locals (Jacobsen & Fratzke, 2016).

While these constraints to livelihoods development are well documented, there is little available evidence of what works in addressing them. The evidence base is weak both in terms of its size and quality. Previous reviews have concluded there is both a lack of 'hard evidence and preponderance of very small-scale interventions' in this area (Crawford et al., 2015, p. 31). A widely-cited review in 2016 observed that very few independent impact evaluations have been carried out (Jacobsen & Fratzke, 2016, p. 11). Much of the data available in the public domain is limited to describing static *outputs* from livelihoods programmes in refugee settings – for example, number of target beneficiaries, or descriptive statistics of service uptake - with comparatively little consideration of longer-term outcomes on livelihoods, or wider collective impacts (*ibid*). In addition to these limitations, experts point out that since each protracted crisis offers its own challenges and constraints, it is probably not advisable to draw comparisons about what works across contexts (Crawford et al., 2015; Jacobsen & Fratzke, 2016). In view of these limitations, improving learning and practice regarding successful approaches to livelihoods development has recently been adopted as a key pillar of UNHCR's Global Strategy for Livelihoods, 2014-2018 (UNHCR, 2014).

The evidence base is weak both generally and with respect to UNRWAs activities in particular. In 2017, the UN Office of Internal Oversight Services (OIOS) conducted an evaluation of UNRWA's relevance, effectiveness and efficiency in promoting a decent standard of living for Palestine refugees 2010-2015 (UNESCO, 2017). The mixed-method design included a meta-review of 42 evaluation reports, household and intercept surveys of a sample of refugees, field missions to Gaza, Jordan, Lebanon and the West Bank, and interviews with UNRWA staff. The evaluation concluded that overall 'although UNRWA has made gains in its monitoring and evaluation function, these functions are still underemphasized as tools to help UNRWA learn and improve' (UNESCO, 2017, p. 2). The evaluation also concluded that UNRWA had been unsuccessful in

¹ In Jordan, Lebanon, Syria, the Gaza Strip and the West Bank, including East Jerusalem.

promoting the shared goal of a decent standard of living within the agency (ibid). A combination of a precarious operating environment, restricted data availability and sub-optimal evaluation designs have all hampered the evidence base on UNRWA's impact on supporting Palestinian refugee livelihoods (ibid).

In light of these limitations, this report is also limited. It identifies only a handful of relevant evaluations of livelihoods interventions in protracted crises. While it is not possible based on this evidence to give any reliable account of 'what works', these evaluations do provide some indication that certain activities have seen positive results. In general, more holistic approaches that address structural barriers (e.g. integrating measures to secure housing or address land rights) while also promoting livelihoods and skills are advocated across the literature. At the same time, short-term, ad-hoc interventions (e.g. temporary employment opportunities) have been relatively discredited as having little durable impact.

Since there is considerable guidance-style literature available (in contrast to actual evaluations), this report begins with a brief synthesis of what is considered emerging good practice for working on refugee livelihoods in protracted crises. It then presents the limited evidence of the outcomes and impacts of UNRWA's and other agencies livelihoods programmes under three broad headings: Employability, Technical, Vocational and Educational Training (TVET) and Microfinance.

2. Emerging good practice

In 2015, ODI undertook a series of case studies on developing livelihoods in protracted displacement (Crawford et al., 2015). They identified four broad approaches to programming that can work in these settings:

- *Displaced people in urban settings*: In urban settings, restrictions on land rights, housing tenure rights and the insecure status of informal settlements can undermine livelihoods prospects. Livelihoods strategies have therefore been successful where they have addressed these barriers as part of a holistic approach. For example, insecure housing was found to be a major constraint to IDPs pursuing livelihood initiatives in urban settlements in Bosaso, Somalia. In this case, an agreement was developed between landholders, the local authorities and displaced people to allow for the upgrading of informal settlements. Host and IDP populations were engaged in the process, market incentives were provided to reluctant landowners to give secure tenancies, and the municipal government was engaged to upgrade services (Decorte & Tempra, 2010, cited Crawford et al, 2015). This type of *combined* approach to improving living conditions, access to land, and promoting rights and livelihoods has also seen some success under the UNHCR's Transitional Solutions Initiative (TSI)², in Colombia.
- *Integrated income generation, employment and skills programmes*: Ad-hoc, vocational training and income generation schemes that target only a small number of beneficiaries have been discredited in the literature (Crawford et al., 2015). Many have failed to consider the market viability of the skills being imparted, the educational, social and psychosocial barriers facing refugees, lack expertise in lending or grants, or fail to forge

² See: <http://www.unhcr.org/uk/partners/partners/4e27e2f06/concept-note-transitional-solutions-initiative-tsi-undp-unhcr-collaboration.html>

sufficient links with the private sector. Programmes can achieve some success when they avoid these pitfalls. For example, in Colombia, a CHF International programme that provided a mix of emergency short-term employment (community infrastructure), vocational training and job placements and small grants and technical support for micro-entrepreneurs saw some success. Intensive psychosocial and life skills support was also an important component of the programme. The programme supported IDPs to establish livelihoods and contributed to improving their self-reliance, while at the same time countering stigmatisation and negative perceptions by including other vulnerable people. It was tailored to the existing market, and incorporated both the public and private sector.

- *Predictable safety nets and basic social services:* Where opportunities for direct support to income generation are impossible, supporting education, nutrition and food security can still play a crucial, indirect, role in building livelihoods (Crawford et al., 2015). A short ODI case study on refugees in Jordan concluded that UNRWA's safety net is vital for helping to *indirectly* support Palestinian livelihoods (ODI, 2015). Likewise, UNHCR (2014) promotes basic consumption support in cash and/or in kind until self-reliance benchmarks are met. It also advocates replacing or recovering productive assets as early as possible after crisis (ibid).
- *Integrated regional and country development approaches:* The World Bank's Global Program on Forced Displacement (GPDF)³ is now calling for a more holistic, longer-term, response to building refugee livelihoods. This may include, for example, obtaining political support at the regional and national level to provide major regional infrastructure investments.

Across the policy and practice literature, a number of other themes recur about good practices for programming in this area. These include:

- *Promoting the right to work:* This is a key pillar of UNHCR's refugee livelihoods strategy (UNHCR, 2014). Refugees are considered better able to contribute fully to local communities when they can work legally, access resources and services, create businesses, and pay taxes. To this end, UNHCR aims to pursue greater dialogue with authorities, engage local business, and invest more in institutions to benefit the entire community (ibid).
- *Advocacy and policy dialogue:* In hostile political situations, advocacy may have to be carefully calculated and co-ordinated between agencies to avoid provoking a negative response from government (Feinstein International Center, 2012). UNHCR has committed to defining more specific targets for building a favourable policy environment (UNHCR, 2014)⁴. Specifically, it suggests commissioning research that can establish an

³ See the annual progress report of this programme here: <http://documents.worldbank.org/curated/en/992511468188334776/Global-Program-on-Forced-Displacement-GPDF-annual-progress-report-January-2014-June-2015>

⁴ Issues for dialogue with national and local authorities include: 'recognition of diplomas and professional certifications, access to land and productive natural resources, access to work permits, freedom of movement, freedom of association, access to financial services, access to training and learning opportunities, access to formal and informal employment, right of business ownership and membership in business associations' (UNHCR, 2014, p. 20).

evidence-base on the economic contribution of refugees to local economies and host communities.

- *Adopting an inclusive approach:* Leading agencies argue that all livelihoods programming should adopt an inclusive approach that targets both nationals and non-nationals (refugees, migrants, host communities) so as to avoid parallel programming (Feinstein International Center, 2012). Such joint programming can in theory reduce antagonism between communities, helping to dispel any government resistance in the process, and also create opportunities for refugees to build networks and capital outside their communities.
- *Using a graduated (or laddered) approach:* Livelihoods programming should be calibrated to the stages of community skill development. Refugees at different stages of transition – whether coping, adapting or accumulating – will require different types of intervention (Feinstein International Center, 2012).
- *Linking along the value chain:* Joining up different types of interventions - for example, microfinance with business development - is considered key (Feinstein International Center, 2012). This includes, for example, pairing mental and physical health interventions with livelihoods programming where necessary.
- *Promoting self-reliance:* Kamau and Fox (2013) develop a theory of change and set of interventions they argue would underpin more effective self-reliance programming, with the ultimate goal of helping refugees to cope, adapt and thrive wherever they settle. They recommend donors should engage in more partnerships with government and the private sector, conduct more rigorous baseline analysis, and also undertake political economy analysis to understand how power dynamics affect the livelihood options of refugees and IDPs. More specifically, they advocate the supply of cash instead of food transfers (which are traded for cash anyway), to enable more refugees to engage in lucrative cross-border trade, and encourage them to move out of camps (Kamau and Fox, 2013).
- *Context assessment and planning:* Jacobsen and Fratzke (2016) argue that failure to account for political, practical and economic barriers are the main reasons why livelihoods programmes for refugees fail. Tools such as Emergency Market Mapping Assessment can help tailor specific labour market interventions, can be useful (ibid). UNHCR is advocating better use of available data about the refugee population and the economy, better targeting, selection of partners that take a market-oriented, longer-term approach, and stronger monitoring and evaluation (UNHCR, 2014).

3. Employability

Cross-country reviews stress that the ability of donors to connect refugees with employment ultimately depends on the availability of jobs in the local economy (Jacobsen & Fratzke, 2016). In general, employability programmes have failed where they haven't provided training that matches the local economic environment. In contrast, a project with Iraqi women in Jordan was deemed successful partly because it adapted to labour market restrictions; rather than training women to enter wage employment that was ultimately unattainable for them, it focused on helping them to develop home-based businesses (ibid).

Assessments of UNRWA's activities to support a decent standard of living for Palestinian refugees are mixed. In a survey carried out in 2015, a significant portion of UNRWA staff (41 per cent) reported the agency's work on providing a decent standard of living had become somewhat

less effective since 2010. While 51 per cent thought UNRWA was 'very' or 'somewhat' effective in increasing employability and livelihoods, 49 per cent thought it 'somewhat' or 'very ineffective'. The majority cited austerity measures along with rising needs among the refugee population for these ratings (UNESCO, 2017, p. 14).

A recent survey of livelihoods of Palestinian Refugees in Lebanon (PRL) found the majority of employed refugees work in low-paying, low-skilled jobs and often subject to harsh, exploitative and insecure working conditions (AUB, 2015). As of 2015, the unemployment rate among PRL was 23 per cent (a significant increase from the 2010 rate of 8 per cent); this rate is around 31 per cent for women (AUB, 2015). Youth employment among Palestinian refugees is higher, at around 57 per cent (AUB, 2015, p. 181). Moreover, employment restrictions mean higher levels of education and training do not necessarily have a positive impact on employment levels (ibid).

Engaging Youth (EY) Project, UNRWA Syria

This multifaceted project aims to build the resilience of, and improve employment outcomes for young Palestinian and Iraqi refugees living in Syria. It provides continuing education, career guidance, business development support, and life skills training. In 2012, the project was externally evaluated using a combination of direct observation, key informant interviews, small scale surveys and focus groups. The evaluators concluded that overall, there was insufficient data on the main objective of improving young refugees' chances of finding long-term employment. However, some of the activities were reportedly successful in achieving shorter-term outcomes, as follows:

- *Youth employment centre*: Located within the largest Palestinian camp in Syria, this provided a focal point for young people to congregate and access employment services. The centres' visibility was considered important to the overall cohesion of the project.
- *Short-term vocational courses*: A range of short-term courses⁵, previously only offered through UNRWA's Training Centre in Damascus (DTC), were extended to all 12 camps in which Engaging Youth operates. These courses proved popular and achieved the target number of beneficiaries (3273 Palestinians and Iraqis enrolled in vocational courses, out of which 2986 graduated). In the evaluation survey, 63 per cent of the 300 youth who attended short courses believed it had improved not only their career situation, but their personal and professional development. Trainees felt the courses were in areas that were both of interest to young people, and tailored to the employment market. Around 36 per cent of trainees had secured employment at the time of the survey. The evaluators concluded that 'this is a considerable result in a period of political instability and with economic challenges that Syrian industries faced during the second year of the project' (UNRWA, 2012, p. 48). The evaluation recommended that vocational courses include a two-week mandatory work placement, and that a central agency be established to work with the private sector to source employment opportunities. It also recommended that in future, the vocational training component should be merged with the career guidance component, since these are cross-cutting.

⁵ AC and refrigerator maintenance: Accountancy, Auto Cad, Banking, Child Care, Clothing Technology, Computer Maintenance, Electricity Technology/PLC, Executive Secretary, Graphic Design, Hairdressing, Beauty Care, Marketing, Mobile Phone Maintenance, Web Design

- *Graduate training courses:* were also offered, at which attendance was good - around 88.9 per cent of graduates attended more than half of the courses and 88 per cent rated themselves as having felt good about their results in the exam. The evaluation survey found that 79 per cent of graduates believed the training offered matched market needs. Three months after graduation, 552 out of 1303 graduated Palestinian trainees were employed - around 42 per cent.
- *Career guidance centres:* These centres aimed to provide young job-seekers with the tools and skills to identify and pursue their longer-term career goals. In practice, career guidance involved individual counselling sessions (one to one sessions to create a career plan) and group workshops on employability skills. Six modules were taught: self-awareness, professional communication, negotiation and problem solving, job search techniques and CV writing. The results were moderately positive. More than 20 per cent of job seekers who went through career guidance found a job through direct referral (143 people) or on their own (249 people), despite the prevailing climate of economic uncertainty and associated fluctuations in the job market. In a survey of 214 beneficiaries, 90 per cent reported the career guidance program had increased their self-confidence, particularly when seeking jobs in the private sector (UNRWA, 2012, p. 53).
- *Entrepreneurship development:* Intensive business skills training courses were delivered according to a CEFE approach (Competency-based Economies for the Formation of Enterprise) developed by GTZ⁶. During focus group discussions, beneficiaries stated that the training provided them with concrete tools and business ideas, and helped them to manage their business. The project also incorporated an advocacy campaign to raise awareness of entrepreneurship, entitled "Start your business, start your life". Through posters, group discussions and social media (Facebook), it aimed to highlight the benefits and the risks of entrepreneurship as well as to change perceptions surrounding micro-credit. The impact of this component was not evaluated. The evaluators suggest future campaigns should capitalise on previous success stories and integrate them into awareness-raising sessions.

As elsewhere, data management somewhat impaired the monitoring and evaluation of this project. Evaluators noted that data was collected by numerous individuals working on different components of the overall project. This type of data was 'not compiled in a way that could produce statistical interpretation or offer a way to track the progress of the youth in the different departments over time'. The evaluators suggested that in future, the project might usefully track outcome indicators that would highlight the link *between* the components. For example, the number of youth volunteers employed following career guidance support and/or vocational training; or the number of participants in adult classes with a child or sibling participating in other activities.

Job Creation Programme, UNRWA, Gaza

The Job Creation Programme (JCP) provided cash to professional, skilled and unskilled refugees in exchange for short-term work assignments. Employment was contracted directly by UNRWA Field Offices for internal and external assignments of between three to twelve months. The programme was funded out of an emergency (as opposed to general) fund. It was evaluated in

⁶ Covering Conduct situational and SWOT analyses, marketing plan, production and costing, organization and management plan, a financial plan, the business plan.

2015 using a mixed methods design based on consultations, data analysis and focus group discussions. The evaluators concluded JCP did not create jobs and had little impact on food security or alleviating poverty. They also observed weaknesses in monitoring and evaluation concluding it was not possible to quantify the programmes' impact 'due to a lack of poverty and food insecurity data' (PAI & ATOS Consulting, 2015, p. 3). The evaluators recommended that in future, UNRWA must move beyond measuring outputs, to evaluating outcomes.

The programme's gender component was considered successful. Through the JCP, women in Gaza were given opportunities to work in non-traditional positions (packing factories, agricultural sector) previously culturally restricted to men. Overall, however, the programme's impact was limited by prevailing structural poverty and Gaza's economic blockade. Evaluators also partially attributed limited results to some of the programme's design features, including:

- No systematic exclusion/inclusion of eligible groups. UNRWA had used complaints boxes and community outreach officers to try and safeguard against exclusion of eligible groups.
- Operating with a short-term perspective. Most beneficiaries only received income from JCP for a short period. Evaluators concluded it was unrealistic to have expected a cash-for-work scheme to improve food security, given the very short-term nature of the inputs.
- Feedback from JCP beneficiaries was negative, perceiving the jobs as too short-term, distributed unfairly, and with long waiting times. The reported average waiting time for a three month position was between five and seven years.

Based on these findings, evaluators recommended DFID withdraw funding from JCP, and suggested DFID funding might have a more sustainable impact on poverty if disbursed through the General Fund.

The programme was later evaluated using mixed methods, including longitudinal survey data (TRANSTEC, 2016). As above, this evaluation also found that evidence of JCP's impact on wider socio-economic trends and household security was limited. Nevertheless, it concluded that the programme was effective as a 'resilience programme', meaning it developed individual capacity to cope with shocks. That was because it reduced individual debt and improved food security for most participants. Participants were also positive about the programme's impact on their standing in their families and communities. Surveys found that 30 per cent of survey respondents from the first cohort, 19 per cent from the second, and 69 per cent from the third were either part or full time employed 6 months – a year after the end of their contract. Analysis of respondents' self-esteem/self-concept showed minimal change for the first two cohorts and a positive increase for the third cohort, which the evaluators attributed to the much higher employment figures in that cohort. There was also evidence that there was a positive increase in capital investments among participating businesses when compared with non-participating businesses from the same sectors. This was attributed to the gains that business made from 'free labour', which in turn prompted them to become better at managing and investing in their businesses.

The two contrasting evaluations of the same programme perhaps reflect the different perspectives on the programme's success criteria. The first evaluates the impact primarily on poverty mitigation and food security, whereas the second looks at a wider range of criteria, including impacts on participating businesses. It is important to note that while the JCP may be expected to have some positive livelihoods related impacts, it is essentially set up as a poverty

mitigation programme. UNRWA also run various other programmes and projects directly and indirectly creating employment opportunities for Palestinian refugees, but no evaluation evidence was available.

More generally UNHCR's 2014-2018 strategy advocates employing refugee workers in relief efforts wherever possible, including building, camp management and maintenance, and provision of essential services including food distribution, health, education, and protection-related functions (UNHCR, 2014). It argues that 'while employment may be temporary, it contributes to helping refugees maintain their assets and develop new skills' (UNHCR, 2014, p. 28).

4. Technical, Vocational and Educational Training (TVET)

UNHCR advocates a range of TVET activities for refugees, from language and IT training, life-skills and employability training, to entrepreneurship training, to the provision of locally recognised diplomas (UNHCR, 2014). It is also, more recently, seeking to develop new ways of providing employment online, through data-outsourcing and 'microwork' (a series of small tasks that contribute towards a larger project and are completed by many individuals over the Internet) (ibid).

In 2016, a conference of donors working in MENA concluded that improving the quality of TVET is imperative for increasing graduate employability, as well as ensuring higher demand for TVET (UNICEF, 2016). The conference noted that TVET is currently 'associated with low quality education that does not provide concrete prospects for employment' (ibid, p. 15). It also found evidence of employer dissatisfaction with young TVET graduates (ibid, p. 15). The main reasons for this were poor technical knowledge and inadequate soft skills. Providing better life skills education was therefore a major recommendation of the conference.

Evidence from elsewhere suggests that TVET activities may be more impactful in locations where refugees have the right to work and the economy is functioning, such as Jordan. In less enabling circumstances, labour market restrictions can hamper the sustainability and success of technical and vocational education and training (UNESCO, 2017). There is also potted evidence that the impact of TVET interventions is reduced where they only target a small number of beneficiaries relative to the overall size of the camp population. A qualitative evaluation of UNHCR's response to the protracted crisis of Eritrean refugees in Eastern Sudan noted that although a range of vocational and skills training were being provided in some camps (e.g. in car mechanics, auto-electricity, driving, and computer literacy and advanced tailoring), their impact was limited by their small scale relative to the overall size of the camp population (Ambroso et al, 2011). The evaluation team also raised concerns about how realistic it was that trainees would be able to apply these skills in practice, given the high levels of underemployment in the local economy, coupled with widespread discrimination against Eritreans in the workforce. Nevertheless, the evaluation observed that these programmes had some less tangible benefits in terms of building community solidarity and individual self-efficacy (ibid).

There is very little evaluation of UNRWA's TVET activities available in the public domain. UNRWA provides Palestinian refugees with technical and vocational education and training in difficult contexts characterised by high unemployment, especially among youth⁷. There is some

⁷ Unemployment rate estimates for 15-24-year-olds: 33.4 per cent (Jordan), 39.8 per cent (Gaza and the West Bank combined), 21.6 per cent (Lebanon), 28.5 per cent (Syrian Arab Republic). *Source*: International Labour Organization, ILOSTAT, (cited in: UNESCO, 2017, p. 12).

evidence that TVET is rated favourably by respondents. The OIOS reported in 2012 that among survey respondents who received UNRWA training, satisfaction with TVET is high: 85 per cent were satisfied with their experience, while 94 per cent reported that it would likely help them secure employment (UNESCO, 2017). Specifically, when asked “To what extent will the training you received help you secure employment in the future?”, 51 per cent of respondents reported ‘very much’ and 43 per cent ‘somewhat’ (UNESCO, 2017, p. 20). This is also reflected in the positive assessment among UNRWA staff. When asked “How effective would you say UNRWA has been in each of the following specific programmatic areas (TVET, microfinance) over 2010-2015?”, TVET was rated more highly than microfinance services.⁸ There is also evidence that employers are satisfied. According to UNRWA’s 2016 annual report, employers across Gaza, the West Bank, Jordan and Lebanon are satisfied with the quality of TVET graduates (based on a survey of 400 employers of graduates from the UNRWA TVET programme who rated them a mean of 2.07 on a scale of 0-3) (UNRWA, 2016, p. 36).

In its 2016 annual report, UNRWA reported it is developing effective partnerships for engaging youth and developing their skills for employability (UNRWA, 2016). In the West Bank, for example, it has built capacity for volunteerism and public speaking. In Jordan, it has focused on IT skills. In Lebanon, it has trained 270 Palestine refugee youth on leadership, team building and community needs assessment. The outcomes of these activities are not reported however. In general, available data suggests that employment rates for graduates of UNRWA technical and vocational education and training programmes declined between 2010 and 2015 (UNESCO, 2017). The number of graduate training contracts awarded has been increasing since 2012, from around 11,000 to 27,000 (UNESCO, 2017, p. 14).

Data gaps combined with a rapidly shifting context make it challenging to attribute changes in employment and livelihoods to specific interventions. Accordingly, in 2017 the OIOS noted that ‘while the data for technical and vocational education and training and job creation programme/graduate training programme point to the employability of those participating in UNRWA interventions, they do not factor in the overall need for employability interventions, rendering it impossible to gauge the contribution of UNRWA to increasing overall employability across the entirety of its targeted population’ (UNESCO, 2017, p. 14).

Palestinian Livelihood Project, Lebanon (World Vision)

This project, implemented by World Vision Lebanon (WVL) in partnership with the Palestinian Arab Women League (PAWL), aimed to improve the livelihoods of vulnerable families living in Palestinian refugee camps. It operated between 2012-2015, targeting a small group (1400) of women and families. It developed Community Business Councils (CBCs) and Business Networks (BN) in the Burj Al Chemali and Al Bus refugee camps (World Vision, 2016).

The intervention was subsequently evaluated through surveys and focus groups. The evaluation measured two outcomes: i) *The targeted Palestinian community has increased access to micro-loans and embedded Business Development Services and ii) The targeted Palestinian community has improved business development knowledge and skills, business networks and environment.* Over the course of the intervention, some 300 business owners accessed loans, and 47 per cent of loan beneficiaries reported an increase in income. 90 percent were providing

⁸ Effectiveness ratings were as follows: TVET – 59.1 per cent ‘somewhat effective’, 30.6 percent ‘very effective’; Microfinance – 57.5 per cent ‘somewhat effective’, 13.8 per cent ‘somewhat effective’ (UNESCO, 2017, p. 22).

for the basic needs of their children. Results on the second outcome were more modest: The project provided an opportunity for community members to join business networks and councils. While between 60-70 per cent participated in networks and councils, 26 per cent actually collaborated to share business information and skills, 53 per cent reported improvement on sales, competitive advantage, negotiations and marketing, and 70 per cent of respondents reported either stable or increased levels in profitability. A majority of business owners (88 per cent) who received direct assistance from the project and belonged to a CBC or BN reported an acceptable or high confidence level in their business. Evaluators concluded that as business owners were able to find more support in networks their confidence level increases and eventually yields an increase in income.

Sustainability was identified as a challenge for this project and was consequently given a low rating. This was due to the capacity of the CBC board members being relatively under-developed across important fields such as leadership, communication, advocacy, strategic planning, networking and social group management skills.

5. Microfinance

UNHCR advocates savings, credit, money transfers and micro insurance for supporting livelihoods among refugee populations on the basis that they can 'help safeguard assets, build financial capital, and open economic opportunities. Reliable sources of credit can provide a basis for planning and expanding business activities' (UNHCR, 2014, p. 8). A recent UNHCR stocktake of microfinance provision in protracted refugee settings concluded that 'more robust analyses' are needed (Azorbo, 2011, p. 24). A crucial success factor is whether loans are of a sufficient size to be invested in income generation (as opposed to merely supporting subsistence) (Ambroso et al, 2011). A UNHCR review concluded microfinance programmes can improve livelihoods in protracted population displacement in three ways: by increasing household economic security, individual human and social capital, and community credit culture and market stimulation of the market (Azorbo, 2011). For example, one UNHCR microfinance project in an IDP camp in Lira, northern Uganda, reported positive results in terms of increased economic security, increased human and social capital, enhanced credit culture and stimulation of the market. Further, recipients of a UNHCR-sponsored microcredit programme in Costa Rica reported that loans improved their quality of life and household income. Overall, however, rigorous or detailed evidence remains slim (ibid).

In terms of UNRWA's activities in this area, the 2017 OIOS concluded it has had mixed success on microfinance. UNRWA online data tends to report on loan disbursement and value, with little information about impact or loan use (UNRWA, 2016). Based on this data, there is some evidence that loan recipients were positive about their experience (UNESCO, 2017). The aggregate value of all UNRWA microfinance/microcredit loans declined from 2009 to 2015 agency-wide, which can be explained by the economic and war-torn climate in the region. The value of loans to refugees decreased in all locations except Gaza. Of the UNRWA loan recipients surveyed, 73 per cent reported that the loan had helped improve their living conditions somewhat or very much since 2014 (UNESCO, 2017, p. 19). Credits and loans also received fairly high approval ratings in the OIOS evaluation. When respondents were asked "To what extent did the UNRWA service improve your living circumstances between January 2014 and the present?", 30 per cent reported 'very much' and 43 per cent 'somewhat', respectively. Respondents considered this to have increased their living standards more than the provision of food or cash (UNESCO, 2017, p. 20).

Data from 2015 suggests a significant portion of UNRWAs credit portfolio is reaching young people. Some loan products are more attractive to young clients than others. Specifically, the gender-specific women's household credit (WHC) product accounts for 31 per cent of clients with loans. Around a quarter (24 per cent) of recipients of the microenterprise credit (MEC) product were youth. They reportedly run a wide range of microenterprises in the service, commerce, industry and agricultural sectors (UNRWA, 2015, p. 3). According to UNRWA's 2016 annual report, the microfinance programme achieved a milestone in generating a net income (profit) of US\$ 2,263,992 in 2016 (UNRWA, 2016, p. 35).

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