



**MERCY
CORPS**



FOSTERING ECONOMIC OPPORTUNITIES FOR FORCIBLY DISPLACED COMMUNITIES

Learning Brief

June 2025

WHY DOES MERCY CORPS FOCUS ON FORCIBLY DISPLACED POPULATIONS?

Forcibly displaced populations (FDPs) — including refugees, internally displaced persons (IDPs), and asylum seekers — are individuals who have fled their homes due to conflict, persecution, violence, human rights violations, or natural disasters. As of 2024, more than **122 million people worldwide are forcibly displaced**, representing approximately **1.5% of the global population** — nearly double the proportion from a decade earlier. These are composed of 68 million internally displaced populations (IDPs), 38 million refugees, 8 million asylum seekers and 6 million people in need of international protection. Of those 122 million FDPs worldwide — of which no less than 47 million are children — 65% originate from only four countries (Syria, Venezuela, Ukraine and Afghanistan), while 32% are hosted in five countries (Iran, Türkiye, Colombia, Germany and Uganda).¹

Displacement is not a temporary disruption — it is a long-term and structural reality for millions who often do not have access to stable employment, education, or legal protections. This entrenched marginalization can deepen poverty, exacerbate inequality, and strain host communities. **Investing in forcibly displaced populations is not charity.** It is an economic stimulus — FDPs can contribute meaningfully to local economies by bringing skills, labor, and entrepreneurial energy, which can be especially valuable in regions facing demographic decline or labor shortages. Research shows that integrating FDPs into labor markets produces substantial economic return. Every \$1 (or €1) invested in refugee inclusion yields about \$2 in economic benefits within 5 years.^{2 3} Additionally, **inclusive and forward-looking policies** can reduce the risk of violence, promote social cohesion, and enhance the resilience of both displaced populations and host communities.⁴

¹ UNHCR, *Refugee Statistics*, 12 June 2025

² Legrain, *Refugees Work: A Humanitarian Investment That Yields Economic Dividends*, 2016

³ In the United States, refugee households earned \$93.6 billion in income, paid \$25 billion in taxes, and still had \$68 billion in spending power in a year.^[1] Refugee-owned businesses generated \$5.1 billion in business income. Across the globe in Malaysia, studies projected that letting refugees work legally could boost GDP by approximately \$676 million and generate over \$11 million in annual tax revenue — American Immigration Council, *Starting Anew — The Economic Impact of Refugees in America*, 2023

⁴ In Uganda — a country known for progressive refugee policies — researchers from the World Bank and UNHCR quantified that for each refugee, humanitarian aid costs \$343/year just on basic needs; conversely, Uganda's current policy of letting refugees work and access land has cut that cost by nearly half to \$193 per refugee; and if refugees were fully included in the economy, it would only cost \$39 per person per year—an astounding decrease in costs of 89%.

WHAT ARE SOME OF THE UNIQUE CHARACTERISTICS OF DISPLACED POPULATIONS?

Legal Restrictions. Many countries where Mercy Corps operates have **legal frameworks that limit the ability of FDPs to access formal employment**, including work permit requirements, quotas on foreign workers, or outright bans on employment for displaced populations. Globally, while 75% of refugees have access to work in law, either fully or partially, **62% live in countries where access to employment is restricted in practice**. Even in countries where refugees are permitted by law to work, **practical barriers persist** — such as restrictions on the sectors in which they can be employed, high permit costs, complex bureaucratic processes, non-recognition of qualifications, barriers to entrepreneurship and language and cultural barriers.⁵ In **Lebanon**, Syrian refugees are legally allowed to work in only a limited number of sectors — primarily agriculture, construction, and waste management.⁶ Formal work permits are difficult to obtain and often require sponsorship by a Lebanese employer, which deters hiring. As a result, most Syrians work informally under precarious conditions, often for lower wages and without labor protections.

Mobility Constraints. Displaced populations are often confined to camps, collective sites, or specific geographic regions. At least **33% of refugees live in countries where their freedom of movement is restricted**.⁷ These restrictions on movement reinforce economic marginalization by preventing displaced populations from reaching labor markets, accessing services, or participating in local economies. In **Syria**, over a decade of conflict has left millions of IDPs living in overcrowded camps or remote areas with limited access to services and employment opportunities, and mobility is curtailed by insecurity, damaged infrastructure, and administrative barriers. In **Ukraine**, FDPs often reside in temporary collective shelters, disconnected from economic centers and social networks. A similar dynamic plays out in northeastern **Nigeria**, where insecurity and conflict have restricted the movement of FDPs: in Borno State, many communities remain isolated from urban labor markets and productive agricultural land, making it difficult to engage in income-generating activities or access essential services. In **Sudan**, Ethiopian refugees face both legal and geographic barriers to mobility. While Sudan's 2014 Regulation of Asylum Act is relatively progressive on paper, its implementation requires refugees to register within 30 days of arrival, a process often hindered by fear of authorities and bureaucratic obstacles.

Financial Exclusion. FDPs often face significant barriers to accessing banking services, credit, and insurance — all of which are essential for starting businesses, securing housing, or investing in education and skills development. **56% of refugees live in countries where legislation does not recognize UNHCR or government-issued ID as valid documentation to open a bank account**, effectively excluding them from the formal financial system.⁸ In Kenya, Pakistan, India, and Sudan, refugees are barred from owning property, which they could use as collateral for a loan.

⁵ UNHCR, *Refugees' Access To Jobs And Financial Services*, 2023

⁶ ILO, *Work Permits and Employment of Syrian Refugees in Lebanon: Towards Formalizing the Work of Syrian Refugees*, 2017

⁷ *Idem*

⁸ *Idem*

Precarity, Exploitation, and Reliance on Informal Economies. In the absence of access to formal labor markets, many displaced individuals are forced to rely on informal and survival economies — small-scale trading, subsistence agriculture, or low-paying service work. These activities offer low and unstable incomes, no social protection, and expose individuals to exploitation, occupational hazards, and discriminatory practices. Through years of evidence generation in various context, Mercy Corps has learnt that in certain contexts, a compounding factor is the lack of social capital and networks, given that local job markets are often heavily influenced by informal referrals and personal connections. In **Yemen**, FDPs struggle to access stable employment due to a lack of social networks and overwhelming urban services.⁹ In **Ukraine**, 58% of working-age IDPs were economically active, compared to 76% of non-displaced individuals, underscoring how the absence of local social and professional networks limits access to jobs.^{10 11} In **Nigeria**, FDPs in the BAY states (Borno, Adamawa, Yobe) often have marketable skills but lack certification, training, and access to capital. The loss of homes and community structures further disrupts vital social networks needed for employment or entrepreneurship. It is important to note, however, that social connections prior to or built while fleeing the country of origin can play an important role in information sharing amongst refugees.¹²

Tensions with Host Communities. Competition over scarce resources such as jobs, water, and public services can fuel resentment, particularly in contexts already marked by poverty and limited infrastructure. Discrimination based on nationality, ethnicity, or refugee status remains a significant barrier to employment, as employers may favor local candidates or act on cultural biases and stereotypes. They may suffer from targeted violence stemming from prejudice among the host population and/or economic exploitation, such as low wages or sexual exploitation, due to their lack of legal status. They may also have faced, or still face, threats to their physical safety in conflict zones or areas with high crime. In Borno State, **Nigeria**, the arrival of large numbers of IDPs has strained relations with host communities, leading to conflicts over access to water and other resources. High levels of poverty and economic instability have also led to theft and debt-related disputes, further exacerbating social tensions.¹³ In **Yemen**, rural-to-urban migration by IDPs and migrants has intensified pressure on already overburdened public services and job markets. The lack of targeted economic programs for displaced populations has forced many to adopt harmful coping strategies, such as begging or early marriage of daughters in exchange for dowries — practices that can deepen divisions with host communities. In **Ethiopia's** Dollo Ado and Dollo Bay regions, cultural and religious norms, particularly those limiting women's participation in the workforce, continue to hinder full integration and contribute to ongoing competition over economic opportunities.

⁹ Mercy Corps, Yemen Analysis Team, *Economic Drivers of Displacement in Yemen*, 2023

¹⁰ Mercy Corps Ukraine Crisis Analysis Team, *Entrepreneurial challenges and opportunities in three Ukrainian Oblast*, 2024

¹¹ IOM, *Ukraine — Employment, Mobility and Labour Market Dynamics in Ukraine*, 2024

¹² Mercy Corps' *Currency of Connections*, 2020

¹³ Mercy Corps Nigeria Crisis Analysis Team, *Conflict Dynamics Among IDPs and Host Community Members in Jere LGA, Borno State*, 2023

PROMOTING ECONOMIC OPPORTUNITIES FOR FORCIBLY DISPLACED PEOPLE: MODELS THAT WORK

Against a backdrop of shrinking aid budgets, rising needs for displaced groups, and political turmoil related to migration, our programming approaches need to go beyond the traditional toolbox. Support needs to meet displaced groups where they are—building on their capacities (often overlooked) and addressing their felt needs. While aid budgets are not adequate to meet the needs, our market system approach has proven its cost-effectiveness in several fronts. **We believe, and have tested, that the successful integration into local markets not only enhances the economic well-being of displaced populations but also contributes positively to the economies of host countries.**

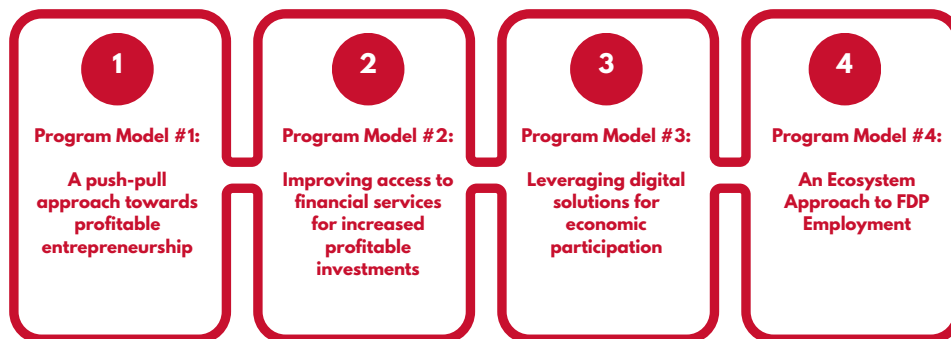
Early on, Mercy Corps tested the power of markets to support refugee economic opportunities in West Nile, Uganda, advocating for a transition away from in-kind aid for food and livelihoods to an approach that emphasizes partnerships with local businesses, reductions of subsidies and demand-driven, market-based economic opportunity support. **Today, our programs work with and through local markets to ensure refugees and IDPs become consumers, employees, and business leaders; and build positive economic relationships with local market actors and communities.** Misconceptions that FDPs are a social burden are a critical issue to address early on. Testing relationships at a small scale and building trust between the FDP community and the market actors are essential so that FDPs can be recognized as trusted employees, employers and customers. This includes leveraging the skills that FDPs bring, developing tailored approaches, and disseminate evidence.

Mercy Corps collaborates with local governments, NGOs, private sector entities, and other stakeholders to create holistic solutions for improving economic opportunities for refugees. These partnerships help leverage resources, expertise, and networks for greater impact. When addressing the specific needs of FDPs, programs need to specifically work with government services and pay attention to local policies and regulations to ensure our work supports the legal integration of refugees. Equally important is the role of refugee-led organizations to help navigate the specific needs of refugees, such as language, IDs, or psycho-social assistance.

Globally, Mercy Corps is an active member of the Refugee Self-Reliance Initiative (RSRI) Alliance and a collaborator on Market System approaches for catalysing self-reliance for forcibly displaced and host populations, a paper outlining strategies and global best practices for reintegration of displaced populations.

Mercy Corps conducts research and advocacy to raise awareness about the economic challenges faced by refugees and advocates for policies that promote economic inclusion and empowerment. These include policies that recognize qualifications obtained abroad, enable access to financial services, and promote labor market inclusion without discrimination. In 2021, Mercy Corps conducted quasi-experimental research in Jordan and [Lebanon](#)¹⁴ to evaluate the impact of vocational training programs on both host and refugee communities, using game theory and surveys to assess economic and social outcomes. The findings underscore the need to recognize power imbalances when designing employment programs and highlight that such initiatives do not consistently lead to increased stability, as drivers of violence are often rooted in political ideology rather than economic hardship. However, economic scarcity can still fuel negative attitudes toward refugees. The research also emphasizes the importance of complementing skills training with efforts to increase market demand, as sustainable employment requires more than individual capacity-building. Notably, programs explicitly designed to reduce bias between hosts and refugees were effective in improving intergroup perceptions—an effect that persisted even six months after course completion—particularly in contexts where tensions are not primarily driven by economic concerns. More recently, Mercy Corps actively contributed to the Refugee Self-Reliance Initiative’s paper on the role of market systems approaches in promoting self-reliance among forcibly displaced populations¹⁵. The paper emphasizes that, although a growing number of assessments and guides explore both the theory and practical application of market systems approaches in these contexts, there remains a significant gap in concrete lessons learned and actionable strategic guidance. To address this, the paper synthesizes insights from existing interventions and highlights what makes forcibly displaced populations unique in the context of market systems. It also offers a practical list of tips and considerations for implementing market systems approaches in a way that supports inclusive and sustainable systems change for these vulnerable communities. Continuing to build evidence around the program models that work is critical.

This learning brief highlights four key program models we are currently testing that harness the power of market and labor systems so they create more sustainable work and revenue opportunities for forcibly displaced populations.



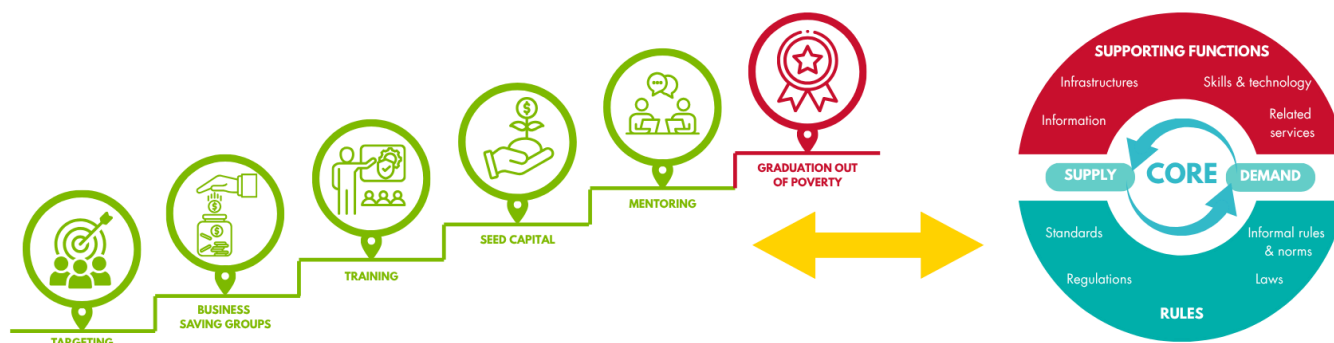
¹⁴ Mercy Corps, [The Effects of Vocational Training on Bias Towards Hosts and Refugees: Findings from Jordan and Lebanon](#), 2021

¹⁵ Refugee Self Reliance Initiative, [Can Market Systems Approaches Catalyze Self-Reliance for Forcibly Displaced and Host Populations?](#), 2024

PROGRAM MODEL #1: A PUSH-PULL APPROACH TOWARDS PROFITABLE ENTREPRENEURSHIP

Mercy Corps is combining systems-level interventions (pull interventions) with targeted direct activities (push interventions) to help FDPs overcome the specific challenges keeping them from engaging in local market systems. The direct support aims to replace the productive assets lost, complete locally required documentation, and overcome language and cultural barriers. Through our award-winning [DREAMS](#) (Delivering Resilient Enterprises and Market Systems) initiative in [Uganda](#), [Ethiopia](#) and [Tanzania](#), we are layering Village Enterprise's poverty graduation model with Mercy Corps' market systems development activities in a new way. **We support refugees to graduate out of poverty through a sequenced set of activities designed to launch and sustain their microenterprises while market system development builds market access pathways to ensure those refugee-led businesses are successful.**

Figure 1: Combined Model for Graduation Approach and Market Systems Development



The **graduation model** follows a 6-step process which consists of: 1. selecting graduation participants based on poverty and vulnerability score; 2. organizing three-person business groups (BGs) and 30-person business savings groups (BSGs); 3. conducting technical and business skills trainings through BSGs; 4. providing a start-up grant of \$200 USD to each three-person BG; 5. supporting each BG with targeted coaching over 12 months; and 6. connecting entrepreneurs to local markets and financial institutions. To ensure scale and sustainability, we apply simultaneously an **MSD approach**, which consists in identifying the main barriers in the market and ensuring that the “graduates” have access to adapted products and services to grow and strive – for example, supporting vaccination services ensures that refugee-led poultry businesses do not lose their poultry to diseases, and supporting with the commercialization of drought-resistant seeds and climate advisory services supports the resilience of refugee-led agricultural businesses. Additionally, we encourage private sector investments by demonstrating the viability of investing in refugee-led businesses and building trust between “graduates” and private actors.

After three years of implementation in Uganda, the **results are positive and expected to scale up** – sales revenues for a 3-person business group averaged over \$750 after 6 months, and over \$1,200 after 9 months; the value of FDPs' assets has increased by 58%; the value of savings has increased by almost 700%. As the

long-term foundation for the success of DREAMS lies in developing the surrounding market system to provide goods and services, we started to witness spillover effects - while it is too soon to capture evidence of broad systems change, all nine private sector actors brought in by the project in various sectors such as poultry, sesame, sunflower, soybean, and financial services are still operating in West Nile seven months after graduation and employ 66 local agents, including 12 women, drawn from the local refugee community. This [brief](#) highlights DREAMS' operational learnings and initial evidence of its contribution to durable livelihoods for participants, based on programmatic monitoring data.

Recommendations moving forward:

➤ **For practitioners:** Early evidence suggests that the graduation model is more sustainable when it aligns with real market demand and is paired with support services that can continue beyond the project lifecycle. Intentionally designing programs to complement and connect with private sector activities, rather than undermining them, is critical. This means, for example, that while both models are working efficiently side by side, continuing to look at ways to directly engage the private sector in the delivery of poverty graduation will help increase impact at scale.

➤ **For donors and policymakers:** The model has the potential to support immediate needs in the short-term while building market supply and demand for long-term impact. This supports donors' humanitarian objectives to save lives while offering an alternative economic development model that also supports host communities. Given that support to market development always takes more time, it is recommended to 1. Continue to finance the layering of system strengthening with hands-on life-saving activities; and 2. Ensure a 3 to 4-year program lifespan to demonstrate long-term impacts.

PROGRAM MODEL #2: IMPROVING ACCESS TO FINANCIAL SERVICES FOR INCREASED PROFITABLE INVESTMENTS

Financial inclusion works to increase people's access to and use of affordable financial services. It is not an end in itself, but enables people to make quick and easy payments; borrow to invest in their farms and businesses; save for the future; and insure against shocks. Mercy Corps uses financial inclusion to help FDPs improve and protect their incomes and assets, and manage risk.

In [Uganda](#), the [ReFine](#) (Refugee Finance to Grow Income, Assets, and Resilience through Bundled Services) program worked with refugees to help them access and benefit from financial services. To address FDPs' barriers to financial services, ReFine **partnered with Refugee-Led Organisations (RLOs) to equip refugees with**

the knowledge, skills, and confidence to use and access financial services through the provision of financial and digital literacy training and support. RLOs also assisted refugees in obtaining formal identification and attestation letters to be used when opening bank accounts. In parallel, Mercy Corps provided **technical assistance to three Microfinance Institutions (MFIs)** – FINCA, Vision Fund and UGAFODE– to help them adapt and improve their products, policies and procedures to ensure they met the needs and constraints of refugees, for example, by addressing collateral and Know Your Customer (KYC) requirements. The MFIs also expanded their mobile and agent banking network in refugee areas to facilitate access and developed marketing and training materials in the language of the refugees. Finally, Mercy Corps partnered with Kiva to **provide low-cost, risk-tolerant capital to the MFIs** to encourage and incentivize them to lend to both refugees and host communities. A total of \$1.1 million was provided by Kiva, which incentivised and enabled the MFIs to grow their refugee loan portfolios.

As a result of a strong collaboration and support between Mercy Corps, the RLOs, and the MFIs, by the end of the three-year program, refugees and members of the host communities accessed 8,649 loans through the three MFIs, reaching 21% of program participants compared to just 1% at the start. The loan approval rate greatly improved from 40% at baseline to 94% at the end of the project. Most participants used their loans to start or grow their business by purchasing assets, inputs or stock. **Addressing collateral and KYC requirements was a key factor in this success.** Through Mercy Corps support, MFIs made their requirements more flexible and improved information flow. Participants also reported an improved ability to access and use their bank accounts as MFIs established new mobile money agents, trained to provide customer support and with sufficient cash flow in the refugee settlements - this contributed to building trust in financial institutions. Finally, interventions led to an **increase in the use of savings accounts among participants** of about 40%. Addressing access and use of financial services led to **32% of participants reporting an improved business income.** Overall, ReFine helped address common misconceptions that refugee populations are risky borrowers and in need of specific financial products. Indeed, ReFine demonstrated that refugees are reliable borrowers, given the high repayment rates, and financial service providers do not need to develop refugee-specific financial products but rather be more flexible in their requirements and operate closer to the people they are trying to reach. This is further demonstrated by partner MFIs investing over \$2.8 million of their own capital to further their outreach to refugee populations, recognizing the strong economic value and market segment they represent.

Recommendations moving forward:

➤ **For practitioners:** Programs must first address misconceptions about refugees through in-depth market research that demonstrates their needs, aspirations, willingness, and ability to repay loans, and the potential profit that could be generated from this market segment. Additionally, to effectively reach refugees, financial institutions should adapt their existing policies and procedures to make them more accessible to refugees, for example, through flexible collateral and KYC requirements.

In an effort to build trust, strong information campaigns about the financial products offered and their terms and conditions, in the language of the refugees, are key to promoting usage. Involving Refugee-Led Organizations, particularly women-led RLOs, helps further build trust and understanding between refugees and financial institutions. Finally, informal savings groups continue to be an important way of building small savings, followed by linkages with financial institutions for accessing larger credit amounts.¹⁶

➤ **For donors and policymakers:** de-risking the provision of financial services to FDPs and supporting access to risk-tolerant capital at low interest rates are two powerful ways of boosting financial services for FDPs, which in turn stimulate entrepreneurship and revenue generation. Emphasis should be placed on facilitating the provision of high-quality technical assistance, subsidising the entry costs when entering the refugee market, and providing blended finance mechanisms to address the lack of collateral among refugees to close the gap between the perceived and actual risk of lending. This will enable financial institutions to demonstrate and verify the viability of lending to refugees. Additionally, supporting the spread of digital financial services, including mobile and agency banking, offers great opportunities to reach remote refugees.

PROGRAM MODEL #3: LEVERAGING DIGITAL SOLUTIONS FOR ECONOMIC PARTICIPATION

Strengthening the digital economy through digital work constitutes an important opportunity for refugees to earn revenue in transit countries, especially if host countries do not allow them to work.¹⁷ Similarly, the combination of **technology and business innovations** has the potential to help private enterprises overcome the constraints of refugee settings. Digital technology and a growing online gig economy can enable private companies, such as internet-based platforms, to tap into the diverse talents and skills of refugees who face work and movement restrictions.¹⁸

A Mercy Corps study in **Africa** has highlighted four potentially viable pipelines for digital work for refugees: 1. Digital Freelancing, where refugees take on short to medium-term or project-based work in fields like design and digital marketing. While freelancing offers flexibility and autonomy, it demands strong self-promotion skills, consistent internet access, and a competitive edge to secure jobs. 2. Remote Employment: Full-time remote roles offer a more structured alternative to freelancing, often including regular income and benefits.

¹⁶ 64% of participants reported still saving in an SG, demonstrating their continued important to refugee and host communities, particularly women

¹⁷ Refugee Self-Reliance Initiative, *Opportunities and Pitfalls of Refugee Involvement in Digital Work in Indonesia*, 2025

¹⁸ World Bank International Finance Corporation (IFC), *Private Sector Initiatives in Forced Displacement Contexts*, 2021

These roles may require more specialized skills and stable internet access, but they provide a more predictable work environment for refugees who can meet the necessary skill requirements. 3. Digital Entrepreneurship: for refugees interested in creating their own businesses, digital entrepreneurship provides an opportunity to establish online enterprises, sell products, or offer services. While this pipeline offers substantial autonomy and potential for growth, it requires foundational business knowledge, startup capital, and access to digital marketplaces. Or 4. Content Creation through Social Media Platforms: Social media and content platforms allow refugees to share unique perspectives and connect with audiences globally. This pathway, while accessible, requires creativity, digital literacy, and consistency. Content creation has lower barriers to entry but may be less stable as a primary income source.^{19 20}

Experience from various projects has demonstrated that leveraging digital work offers tremendous potential for displaced populations. A three-pronged approach has been identified:

- 1. Enabling Critical Information & Infrastructure:** Digital market stakeholders often do not understand the strategic and revenue potential to consider FDPs as potential customers or workers. Supporting the collection, analysis, and dissemination of market information will support future investments from both investors and larger enterprises seeking new talents, or FDPs interested in starting their new enterprises. Additionally, FDPs need access to basic infrastructure - including reliable access to internet and digital payments/wallets – supporting FDPs’ access to information about legal conditions and services available, including how to establish a digital bank account, or access payment services or e-commerce platforms, are key to help jobseekers and digital entrepreneurs start their revenue-generation strategy.
- 2. Providing Technical Assistance for Skill and Solution Development:** Equipping FDPs with a mix of technical, digital, business and soft/marketing/creative skills are the conditions for success. In parallel, providing technical assistance to local start-ups or more established digital platforms so that they consider FDPs in their offering can unlock new employment opportunities. In [Palestine](#), Mercy Corps’ [Gaza Sky Geeks](#) suite of training includes: high-value digital skills (eg. coding, cloud computing, graphic design, data analytics, AI, bookkeeping services); technical English language and employability skills; as well as entrepreneurship and freelancing.
- 3. Strengthening Social and Professional Networks:** This will help open up new markets and facilitate peer-to-peer exchanges, thus supporting business expansion. Through the [Jobtech Alliance in Africa](#), Mercy Corps is supporting digital work platforms with market information (through research and community-building), business relationships with like-minded entrepreneurs and investors, and technical assistance. Through this community of practice, FDP-led businesses can access resources, learn from peers, build relationships with investors, and identify new business opportunities. The platform is also a great way to make the case for hiring refugee talent and connecting large businesses with refugee workers or businesses.

¹⁹ Jobtech Alliance, [Empowering Refugees Through Digital Work](#), 2024

²⁰ Jobtech Alliance, [The Business Case for Refugee Inclusion](#), 2025

As a result of 12 years of implementation, the [Gaza Sky Geeks](#) program trained over 60,000 participants who experienced an average income increase of 100%, with an average salary of \$700 per month within 12 months of completing training (specialized roles such as Coders and Data Specialists earned an impressive \$1,500 per month, significantly surpassing regional income averages and transforming local economies); and 85% of graduates are employed full-time or have started their own businesses, created jobs and contributed to community growth. By partnering with and supporting the growth of EqualReach, a digital work agency that joined the [Jobtech Alliance portfolio](#) and focuses on connecting refugee talent with remote job opportunities, Mercy Corps provides a range of acceleration activities that enable FDP entrepreneurs to build greater scale and impact. Similarly, our [Youth Impact Lab](#) project in [Jordan](#) worked with platforms targeting Syrian refugees who had very limited mobility – by supporting Workaround, a business process outsourcing platform where refugees carry out machine learning tasks from home, we contributed to the creation of jobs for Syrian refugees.

Recommendations moving forward:

- **For practitioners:** While digitally-based work offers great opportunities, it is not for everyone – interventions need to be tailored to the skills available within displaced populations, including leveraging skills that were already present before the displacement as well as FDPs' savviness and interest in digital solutions. Even when supporting access to remote work, digital workers do need digital identification and digital wallets to receive payments for their services. As such, one of the first steps is to support access to proper documentation and online bank accounts. Finally, many digital work pathways are available, supporting the access to one of these pathways requires a strong understanding of the local digital ecosystem and regulations.
- **For donors and policymakers:** Jobtech, or digitally-enabled work, offers promising potential for FDPs. The digital skills learned and the digital work they engage in are “portable”, which means they can continue that work when they go back home. Supporting the development of a digital ecosystem specifically targeting FDPs can unlock incredible potential, but requires long-term investments, a good understanding of the existing actors and regulation, and a risk-taking and trial spirit that does not fear failures.

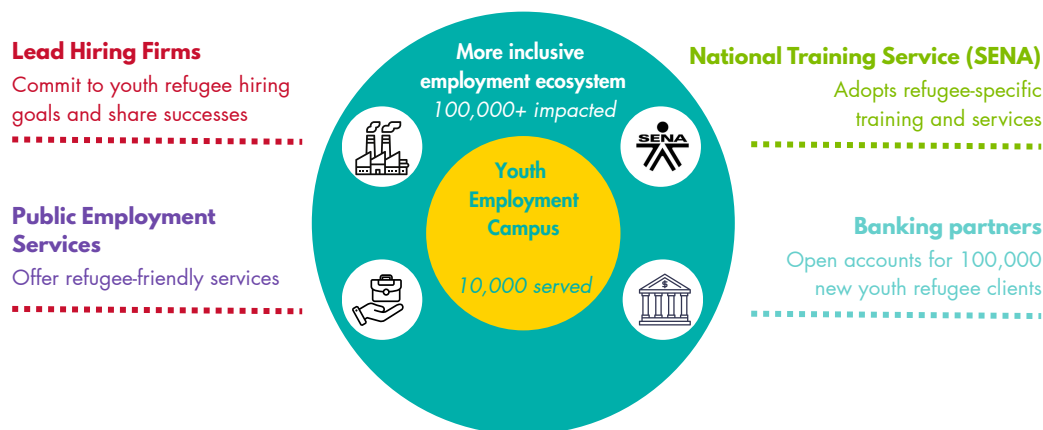
PROGRAM MODEL #4: AN ECOSYSTEM APPROACH TO FDP EMPLOYMENT

Supporting employability is crucial to the economic integration of youth, ensuring they can provide for themselves and their families in the long term. Quality employment helps young FDPs overcome discrimination and prevents them from falling into violence and illicit livelihoods. It is in this context that Mercy Corps is collaborating with multiple government and private partners committed to supporting young Venezuelan refugees and Colombian youth at risk in integrating the Colombian labor market.

True to our localization efforts, [JovenPro](#) and [Advancing the Future](#) programs in [Colombia](#) adopt a full ecosystem approach to supporting youth employment. We leverage and strengthen the capacity of local institutions to address the needs of refugees around three pillars:

- 1. Regularization of refugee status allows refugees to legally access the labor market as well as other government services for job seekers.** Our partnership with Cajas de Compensación (a private/public fund designed to provide technical assistance to job seekers in their search for jobs) established special services for refugees to help them understand the local legal requirements and services offered, adapt their profiles so they can access job-matching services, and provide psychosocial support. Once refugees are registered, they can not only access thousands of jobs posted but also access social security schemes in the host country, including unemployment benefits.
- 2. Certification of skills** is often required by employers. Given that most refugees' diplomas are not recognized, Mercy Corps partners with SENA, a government training entity, as well as private Technical & Vocational Education & Training institutes, to assess refugees' skills, provide complementary training as needed, and issue certification of education, from high school diplomas to technical certifications.
- 3. Technical assistance to employers** opens doors to official recruitment. By focusing on businesses interested in having a social impact or seeking additional skills, Mercy Corps provides technical and legal assistance to over 300 businesses to facilitate the recruitment of young refugees.

Figure 2: Mercy Corps Colombia's JovenPRO Strategic Partnership Setup



To complement these services, Mercy Corps adopts a trauma-informed approach essential to successful outcomes with youth affected by forced displacement – this takes the shape of a standard curriculum and training of trainers developed by Mercy Corps and embedded within all partners’ training curriculum specifically designed to address the psychosocial needs of young refugees; as well as safe spaces to build participants’ ability to identify the impact of trauma, their individual needs and strengths, build emotional strengths, and strengthen social connections and support networks. Throughout, efforts focus on supporting employers, job matching stakeholders, government-led labor departments and financial service providers to help them target this new market segment represented by young refugees. By making the case that these refugees can become profitable clients or skilled and reliable employees, we support the outreach and hiring of young refugees as well as the adaptation of products and services to their specific needs.

The results to date are extremely encouraging. After 5 years of implementation, the **JovenPro** and **Advancing the Future** programs have supported over 3,000 refugees with legal assistance to regularize their stay in **Colombia**, and 4,000 refugees have received support to enter the local labor market. While the original project focused on one specific region, partners have now requested an extension to two additional regions, have embedded the new services into their policies and ways of working, and employers have hired 2,000 refugees thus far. Of the over 9,000 participants both programs have supported with mentorship and training to access the labor market, over 60% of participants experienced an average income increase of 50%, as well as an increase in savings in 40% of cases.

Recommendations moving forward:

- **For practitioners:** Engaging with both the private sector and government services is key. Indeed, collaborating with the private sector helps identify workforce gaps in the local market that can be filled by FDPs, while guaranteeing that labor rights are respected. Additionally, changes in government structure and policies towards refugees can have a substantial impact on the types of services provided and the legality of hiring refugees. It is therefore critical to engage with government ministries throughout the process to understand and influence, when possible, policy changes. Finally, a regional engagement first allows for the testing of new models and builds the confidence of partners. Once this engagement has proven successful, expanding to the national level then offers improved buy-in and impact at scale.
- **For donors and policymakers:** To support long-term economic opportunities for FDPs, enabling policies are a requirement. Donors and policymakers are uniquely positioned to support host governments in developing policies and processes that will facilitate FDPs’ access to employment or entrepreneurship opportunities, and work with development practitioners in identifying gaps and supporting local market actors to engage with FDPs within the realm of those policies.

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About Mercy Corps

Mercy Corps is a leading global organization powered by the belief that a better world is possible. In disaster, in hardship, in more than 40 countries around the world, we partner to put bold solutions into action — helping people triumph over adversity and build stronger communities from within. Now, and for the future.