International Labour Organization | PROSPECTS

Kingdom of the Netherlands



Responding to forced displacement

Lessons from the International Labour Organization's engagement in the PROSPECTS programme

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Foreword

In today's world, marked by complex and interrelated geopolitical, climate, economic and social crises, some individuals and communities are disproportionately vulnerable. In particular, forcibly displaced persons and the communities that host them typically bear the heaviest burdens while having the least resources available to address the challenges they face. In recent years, the number of forcibly displaced persons has risen significantly, driven by conflict, climate change, economic instability and persecution. According to UNHCR, at the end of 2024, over 123 million people globally were forcibly displaced, of whom almost 43 million were refugees.[1]

Two-thirds of those refugees are in protracted situations – meaning they have no foreseeable hope of returning home – further compounding the long-lasting and far-reaching impact of displacement. No one chooses to be a refugee. It is devastating to be uprooted from the safety and comfort of home and community, and be forced to flee to a life of fear and quite often dependency and marginalisation that stands to leave its mark even on future generations.

It is not just lives but livelihoods that are disrupted and often lost permanently. In the face of such profound challenges, the ILO has responded with determination, guided by its mandate to promote social justice and decent work for all and by its policy framework on forced displacement. Building on more than a decade of growing coherence across the multilateral system and improved interdependence of policymaking, the ILO continues to strive for better awareness of the role of decent work and good labour market policies to enhance integration and unlock the economic and social contributions that refugees can offer.

These enhanced efforts are taking place amidst a growing international consensus that policy responses to forced displacement must go beyond providing humanitarian services to include sustainable pathways to livelihoods for refugees and host communities alike. Work and economic development stand squarely at the intersection between the humanitarian and development aspects of international aid. This is where the ILO has a vital role to play. Despite the complexity of the challenges, we remain committed to advancing and strengthening approaches that expand access to decent work opportunities for refugees and all workers, grounded in respect for international labour standards.

Enhancing our understanding of what works in designing and implementing development responses to forced displacement is essential to achieving these objectives. In this respect, lessons learned from experiences in affected countries and communities are central to ongoing dialogue processes and multi-stakeholder platforms. Equally important are strong partnerships between humanitarian and development actors, governments, social partners, donors and crucially, refugees and members of host communities themselves.

We therefore welcome this timely publication of lessons learned from the PROSPECTS Partnership programme. We wish to underscore our deep gratitude to the Kingdom of the Netherlands for its generous and sustained support to this unique Humanitarian-Development-Peace Nexus model. While the publication draws on activities from Phase 1 of the programme and largely focuses on the ILO's engagement within the Partnership, we see this as a first step in the important process of knowledge creation and management that must expand and grow to encompass the experience and expertise of all PROSPECTS partners: the International Finance Corporation, UNHCR, UNICEF and the World Bank.

Indeed, PROSPECTS is a unique programme that puts the Humanitarian-Development-Peace Nexus into practice. Multi-agency initiatives, each consistent with the respective agency mandate and expertise, offer the most promising approach to freeing forcibly displaced persons, host communities and indeed humanitarian donors from a vicious cycle of crisis and humanitarian aid that fails to build resilience and promote development.

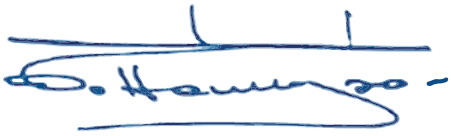
1 UNHCR, *Global Trends in Forced Displacement in 2024*, 2024.

These lessons are not merely institutional observations; they are drawn from real experiences on the ground, as well as from dialogue with displaced and host communities, governments, social partners and humanitarian and development partners. They underscore the ILO's crucial role in advancing durable, rights-based solutions that benefit not only displaced persons but also the communities that host them.

The ILO is looking beyond documenting experiences and expertise to determine effective ways of operationalising the significant amount of learning that has emerged from operations in the eight PROSPECTS countries: Egypt, Ethiopia, Iraq, Jordan, Kenya, Lebanon, Sudan and Uganda. The objective is not only to feed this learning into Phase 2 of the programme, but also to explore ways to extend its impact beyond PROSPECTS to inform other current and future forced displacement response programmes implemented by a wide range of partners and in all affected countries. Ultimately, we aim to contribute to broader and more sustained collective efforts – among PROSPECTS partners and beyond – to strengthen the knowledge platforms that are essential to bridging the humanitarian–development divide.

Our work in forced displacement contexts continues to evolve, shaped by field experience, strong and effective partnerships and a commitment to rights-based approaches. The lessons shared in this publication highlight the urgent need for a holistic and inclusive vision – one that recognises decent work not as a privilege, but as a fundamental right for all, including those uprooted by crisis. As the global community seeks sustainable responses to displacement, the ILO remains firmly committed to placing labour and social justice at the heart of its interventions.

We hope that the insights in this volume inspire continued collaboration, innovation and, above all, decisive action. Behind every statistic lies a human story, and every displaced person deserves the opportunity to build a life of dignity and hope.



Gilbert F. Houngbo
ILO Director-General

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Abbreviations

ABA	Alexandria Business Association (Egypt)
AEMFI	Association of Ethiopian Microfinance Institutions
AGEU	Agricultural Guidance and Employment Units (Jordan)
AI	artificial intelligence
AIMS	approach to inclusive market systems
ALMP	active labour market programme
BDS	business development service(s)
BDSPN	Business Development Service Providers' Network (Uganda)
BETA	Bottom-up Economic Transformation Agenda
CBHI	community-based health insurance (Ethiopia)
CBI	Central Bank of Iraq
CBO	community-based organization
CDC	community development centre (Lebanon)
CEEA	Confederation of the Ethiopian Employers' Association
COTU-K	Central Organization of Trade Unions in Kenya
DIT	Directorate of Industrial Training (Uganda)
DYB	Digitalize Your Business
EIIP	Employment Intensive Investment Programme/Programming
ERA	Ethiopian Roads Administration
ESFC	Employment Service Facilitation Centre
EU	European Union
EYB	Expand Your Business
FDPs	forcibly displaced people
FE	financial education
FKE	Federation of Kenya Employers
FSME	Federation of Small and Medium-sized Enterprises
FSP	financial service provider
FUE	Federation of Ugandan Employers
GET Ahead	Gender and Entrepreneurship Together
GYBI	Generate Your Business Idea
ICBG	Iraqi Company for Bank Guarantees
ICT	information and communication technologies
IDP	internally displaced person
ILO	International Labour Organization
(I)NGO	(international) non-governmental organization
ITCILO	International Training Centre of the ILO
IYAB	Improve Your Agricultural Business
IYB	Improve Your Business
JCC	Jordan Cooperative Corporation
JCI	Jordan Chamber of Industry
JPTC	Jigjiga Polytechnic College (Ethiopia)
JSC	Job Search Club
KNFJKA	Kenya National Federation of Jua Kali Association
KNQA	Kenya National Qualifications Authority

KYC	know your customer/client
LEDC	Local Economic Development Committees (Sudan)
MFI	microfinance institution
MFWR	Making Finance Work for Refugees, Internally Displaced Persons and Host Communities
MGLSD	Ministry of Gender, Labour and Social Development (Uganda)
MHPSS	mental health and psychosocial support service(s)
MOA	Ministry of Agriculture
MOLSA	Ministry of Labour and Social Affairs (Iraq)
MoU	memorandum of understanding
MOY	Ministry of Youth (Jordan)
MOYS	Ministry of Youth and Sport (Egypt)
(M)SME	(micro) small and medium-sized enterprises
NDA	National Disability Allowance (Lebanon)
NEA	National Employment Authority (Kenya)
NEET	not in education, employment or training
NHIF	National Health Insurance Fund (Kenya)
NITA	National Industrial Training Authority (Kenya)
NSSC	National Sector Skills Council
NSSF	National Social Security Fund (Kenya)
NWoW	New Way of Working
OSH	occupational safety and health
PES	Public Employment Service
PWDs	people with disabilities
RLO	refugee-led organization
RPL	recognition of prior learning
RRS	refugee resettlement services
RYLO	refugee youth-led organization
SACCO	Savings and Credit Cooperative
SCORE	Sustaining Competitive and Responsible Enterprises
SCU	Stand for Change and Unity (Uganda)
SIYB	Start and Improve Your Business
SSC	Social Security Corporation (Jordan)
SSE	social and solidarity economy
SYB	Start Your Business
TVET	technical and vocational education and training
TVETA	Technical and Vocational Education Training Authority (Kenya)
TVSDC	Technical Vocational and Skills Development Commission
UHI	Universal Health Insurance (Egypt)
UHOA	Uganda Hotel Owners' Association
UHTTI	Ugandan Hotel and Tourism Training Institute
UNAF	Uganda National Apprenticeship Framework
UNHCE	Uganda National Council for Higher Education
UWEAL	Uganda Women Entrepreneurs' Association Limited
VSLA	Village Savings and Loans Association
WBL	work-based learning
YNC	Youth Network Committee (Ethiopia)

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Executive summary

Forced displacement is a global challenge driven by increasingly protracted situations of conflict, violence and instability. While no region is immune, the vast majority of forcibly displaced people, including refugees, reside in low- and middle-income countries, with 69 per cent of all refugees living in countries neighbouring their own.[2] The countries that are host to the largest populations of refugees and other forcibly displaced people are also those with the fewest resources to meet the basic needs of refugees, while also supporting their own citizens.

There is increasing recognition that the protracted nature of displacement calls for strengthened and inclusive national systems, rather than setting up parallel systems to serve displaced people, in addition to those serving members of the host community. Such "development-led" responses to displacement consider how investment in local economic development can generate a win-win scenario. Host communities benefit from more robust services, including education, health, employment and social protection, while displaced populations enjoy services on a par with nationals. Achieving these ambitions, however, rests on the commitment of national governments, alongside support from the international community. This is underlined by the principles embedded in the New Way of Working (NWoW),[3] which calls on humanitarian and development practitioners to use their comparative advantages to achieve shared, long-term outcomes.

Within the framework of the NWoW, the Kingdom of the Netherlands launched the Partnership for improving prospects for forcibly displaced persons and host communities (PROSPECTS) in 2019. PROSPECTS brings together five humanitarian and development partners with complementary mandates for improving the well-being of forcibly displaced people and members of host communities: the International Finance Corporation (IFC), the International Labour Organization (ILO), the UN Refugee Agency (UNHCR), the UN Children's Fund (UNICEF) and the World Bank. These five organizations have joined forces to accelerate more sustainable solutions for inclusive, cohesive and productive societies hosting refugees and other forcibly displaced people.

From the time a displaced person arrives in the host country, they are in an environment where they face both practical and legal barriers to accessing employment and livelihood opportunities. Skills and qualifications gained in their country of origin may have been lost or may not be recognized, while professional networks and financial capital are also likely to no longer exist as a result of displacement. Members of the host community, while not displaced, may be no better off in terms of financial capital and resources, as many areas hosting refugees are poor and disadvantaged. Therefore, both refugees and host community members require a proactive and holistic intervention model that supports positive employment outcomes.

PROSPECTS country teams set out to develop programming that was rooted in local labour market contexts and responsive to the needs of workers, employers and governments. Following the conclusion of the first phase of implementation (2019–2023), this report takes stock of what was done and considers what was learned in the process. The report provides analysis of ILO programming in contexts of forced displacement and draws on lessons that can inform how the ILO engages both under PROSPECTS and more widely.

2 UNHCR, *Global Trends in Forced Displacement in 2023*, 2023.

3 "The New Way of Working (NWOW) calls on humanitarian and development actors to work collaboratively together, based on their comparative advantages, towards 'collective outcomes' that reduce need, risk and vulnerability over multiple years." – United Nations Joint Steering Committee to Advance Humanitarian and Development Collaboration, "The New Way of Working".

Objectives of this report:

- to document ILO interventions under the first phase of PROSPECTS programming (2019–2023);
- to contribute to institutional learning and inform future ILO programming in forced displacement contexts; and
- to strengthen ILO partnerships and joint areas of engagement under the humanitarian-development-peace nexus (HDPN).

Alongside specific lessons learned in each of the ten thematic areas, a synthesis of these lessons provides the ILO with higher-level key takeaways that can influence how the organization intervenes in contexts of forced displacement:

- **Laying a foundation – awareness-raising and trust building:** consistent with the ILO's role in promoting a holistic and participatory approach grounded in international labour standards and social dialogue, the PROSPECTS programme demonstrates the importance of the ways in which the ILO has invested in building awareness and establishing trust among partners and members of the target group. The investment was especially evident in building trust among service providers, refugees and members of the host community, including employers, to deliver services and products that reflected the target groups' needs. The fact that PROSPECTS targets a particular subgroup, namely refugees, also necessitated greater investment in outreach and awareness-raising, as refugees were generally less aware of the local services and systems available to them. In areas where the ILO was new to working with displaced populations, this upfront investment took time but ultimately supported the establishment of longer-term relations between local and national service providers, refugees and host communities.
- **Building programme coherence and links between thematic areas:** in PROSPECTS, the ILO has run a joint programme that spans myriad technical areas. Thus, mainstreaming the organization's expertise into a holistic approach to refugee inclusion, within the framework of wider national labour market development plans and strategies, has been critical to the development and implementation of the PROSPECTS programme. Anchoring interventions to a wider, shared labour market or market systems analysis helped deliver a broader intervention model of support, in which various areas, such as skills, enterprise development and employment services, were linked to a common, nationally driven objective.
- **Short- and long-term results – demonstrating proof of concept and scaling up:** many of the sectoral assessments highlight the tension between short-term project implementation and longer-term development needs as a key challenge in programme implementation and institutional development. While PROSPECTS had a relatively long-time horizon, which allowed it to lay foundations, develop local capacity and enhance infrastructure for medium- and long-term development that was inclusive of refugees, this happened via a range of short-term project activities. Thus, in many of the thematic interventions, there was tension between the relatively long time horizons that the projects required to work on and deliver wider systems change, and the shorter timescales within which the thematic interventions needed to provide evidence of change in order for them to convince participants of their value. One way of tackling the tension between short- and long-term results was "twin-tracking", that is, implementing activities that deliver short-term results, while, in the background, working at the institutional and policy levels to influence longer-term change.
- **Adaptation of tools, fit-for-purpose programming:** the challenge of short- and long-term programming segues into a recognition, in many of the thematic chapters, of the need to adapt the range of services as they were rolled out at the country level. Different sectors or components required different tools to overcome distinct operational constraints, and thematic products required adaptation in response to specific challenges and opportunities that the programme presented. Better traction was likely in situations where tools were demand-driven – in other words, where country teams, as well as governments and other stakeholders, saw the relevance and value of the tools and approaches to their context and the needs of refugees, rather than the approaches being driven by the tools supplied.

- **Scoping out the context, working with local capacity:** PROSPECTS programme activities reflect the complex and varied contexts where interventions took place, supporting diverse segments and social groups among the refugee and host populations. PROSPECTS interventions also targeted very different geographical locations and contexts where employment opportunities or employment services varied, but generally, these were in locations where markets were thin and job opportunities scarce. This required the selection of sectoral interventions and the tailoring of those interventions to reflect local labour market demand and the conditions and opportunities that were able to be accessed by refugees and members of the host community. There is also something to be said for declining to intervene when the objective of the intervention – for example, people entering employment – is highly unlikely to be achieved, owing to the context and/or constraints on the target group. One key insight was that the length of displacement influenced refugees' readiness, willingness and capacity to access services. Refugees who have spent longer periods in displacement have often accumulated knowledge, social capital and, sometimes, assets, enabling them to make better use of project services.
- **Economic constraints and limited labour market capacity on the demand side:** implementing labour market development services and processes was, clearly, not always a linear process, owing to conflict, environmental factors and unforeseen risks. Moreover, because the economic and political profiles of PROSPECTS countries tend to be relatively volatile, shocks to project implementation were to be expected and, thus, unanticipated changes often had to be made, sometimes rapidly. Working in crisis and post-crisis contexts also entails labour market distortions that have had unanticipated impacts on the rollout of project activities. These prevailing conditions highlight the need for project agility. At a programmatic level, there is the need to develop methodologies for rigorous project risk, readiness and preparedness analysis, where more traditional humanitarian partners may have good practices and lessons learned to share.
- **Risks and constraints – conflict, economic crisis, political change, environmental factors:** in general, precarious economic growth prospects further limit the capacity of labour markets to absorb refugees. This structural condition on the demand side has posed a fundamental challenge for the programme and, indeed, in most refugee situations. The question arises as to whether there are actual jobs and opportunities accessible to refugees, and thus whether the project is viable, or unrealistically raising job-seekers' expectations of employment. An obvious starting point is project design, which, in these constrained labour markets, must be grounded in a rigorous appraisal of labour market information, using both primary surveys and secondary data.
- **Promoting social cohesion and social dialogue:** the role of social dialogue is frequently reprised alongside the value of consensus-building in thematic interventions linked to upstream work in PROSPECTS countries. However, one challenge around social dialogue processes in PROSPECTS was the limited level of refugee representation. While the different but complementary roles of social cohesion and social dialogue have been strongly advocated in PROSPECTS, evidence of their value and importance tends to be asserted rather than documented. There is limited evidence of a) how these processes have actually been developed and implemented, or b) the outcomes with respect to refugee inclusion. Further analysis could add value regarding how social partners engage around the topic of refugee inclusion and regarding the effectiveness of different processes and tools for their involvement.
- **Promoting transitions to formalization:** one of the key objectives of the PROSPECTS programme has been to promote refugee employment in the formal sector, one which aligns to a core principle of the ILO in its Transitioning to Formality agenda, and which is an important precept underpinning the HDPN. Legislative and policy frameworks further restrict the types or forms of work refugees can enter into, and introduce additional procedural barriers, such as work permits. The costs and benefits of formalization were key considerations, with programme teams analysing how "costs", such as taxes and registration fees, outweighed the perceived benefits of higher wages and more secure, decent working conditions. Where business registration for refugees was feasible, incentives such as loans helped tip the balance in favour of the perceived benefits of formalization. However, caution is advised in using only financial incentives, if these are not accompanied by building the capacities of the recipients to be able to interact with and use financial products. Identifying legislative, policy and procedural barriers to refugees' participation in the formal sector and then encouraging governments to remove them are further practical steps forward.

- **Designing for project sustainability:** to be sustainable, the employment and labour market resources and services provided need to be embedded in systems after the project ends. Project sustainability was conditioned by the durability of project infrastructure and the effectiveness of its long-term delivery and maintenance. This, in turn, was contingent, from the outset, on investing in, among other things, knowledge development, building human and (where relevant) physical capital, as well as investment in and support for community-level capacity and resources to maintain services. A second important lesson learned with regard to promoting sustainability has been to ensure that the projects are mainstreamed and anchored in the wider institutional, governance and political infrastructures of the specific country's labour market. Strengthening existing national frameworks to support refugees was also a strategy adopted to build the capacity and sustainability of inclusive national systems.

The greatest challenge to long-term sustainability is lack of financial resources, independent of donor assistance. This challenge remains open, not only in PROSPECTS but within the wider humanitarian and development space. While, in some countries, governments shared the costs of interventions, or allocated finance for the continuation of services, this was not common and only happened in countries that were relatively better off, economically.

The humanitarian-development-peace nexus is both a concept and a wide-ranging policy apparatus that now drives the international response to many refugee crises, with the purpose of promoting longer-term development to support the livelihoods of refugees and impacted host communities, combined with assistance to meet the continuing humanitarian needs of refugees. However, despite extensive international experience with this new way of working – including in PROSPECTS countries – there is no explicit model or template for the HDPN, not least because of enormous variation in country contexts. Instead, there is a series of evolving precepts, among the most important of which is promoting economic development to generate sustainable livelihoods for refugees and host community members. PROSPECTS has adopted a twin-track approach to building individual capacity. On the one hand, it has invested in the development of individual skills, knowledge and performance to enhance the capacity of ILO staff, government contacts and implementing partners. On the other hand, and just as crucial, it has invested in individual capacity development for refugee and host community members to enhance their employability and access to labour markets.



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Forced displacement is a global challenge driven by increasingly protracted situations of conflict, violence and instability. While no region is immune, the vast majority of forcibly displaced people (FDPs), including refugees, reside in low- and middle-income countries, with 69 per cent of all refugees living in countries neighbouring their own.[4] The countries that are host to the most FDPs and refugees also tend to have the fewest resources to meet the basic needs of refugees, while also supporting their own citizens.

There is increasing recognition that the protracted nature of displacement calls for strengthened and inclusive national systems, rather than setting up parallel systems to serve displaced people in addition to those serving members of the host community. Such "development-led" responses to displacement consider how investment in local economic development can generate a win-win scenario. Host countries benefit from more robust services, including education, health, employment and social protection, while displaced populations enjoy services on a par with nationals. Achieving these ambitions, however, rests on the commitment of national governments, alongside support from the international community. This is underlined by the principles embedded in the New Way of Working (NWoW),[5] which calls on humanitarian and development practitioners to use their comparative advantages to achieve shared, long-term outcomes.

The most prominent framework underlying development-led pledges of support to address forced displacement is the Global Compact on Refugees, adopted at the United Nations General Assembly in 2018. This is a framework for international support to ease pressure on host communities, support self-reliance, expand access to third-country solutions, and support conditions for safe and voluntary returns.[6]

Within this framework, and considering the NWoW, the Kingdom of the Netherlands launched the Partnership for improving prospects for forcibly displaced persons and host communities (PROSPECTS) in 2019. PROSPECTS brings together five humanitarian and development partners with complementary mandates for improving the well-being of forcibly displaced people and members of host communities: the International Finance Corporation (IFC), the International Labour Organization (ILO), the UN Refugee Agency (UNHCR), the UN Children's Fund (UNICEF) and the World Bank. These five organizations have joined forces to accelerate more sustainable solutions for inclusive, cohesive and productive societies hosting refugees and other forcibly displaced people. The Partnership is active in eight host countries[7] across the Middle East, North, East and Horn of Africa, jointly targeting districts and localities hosting the majority of displaced people.

Joint work under the first phase of the Partnership (2019–2023) was organized around three main thematic pillars, namely quality education, decent work and social protection. PROSPECTS country teams laid out annual programming in what were referred to as Multi-Annual Country Programmes, accompanied by a joint data collection and analysis process. At the global level, a similar programme document, known as the Multi-Annual Global and Regional Programme, was jointly drafted and reviewed on an annual basis. In addition to multi-annual country, regional and global programming, a unique structure was built into PROSPECTS, whereby the partners were able to propose new joint activities that either built on successful joint interventions or took advantage of new opportunities. Two rounds of the PROSPECTS Opportunity Fund[8] were launched on a competitive basis and, through a selection process run by the Netherlands Ministry of Foreign Affairs, country, regional and global proposals were awarded additional funding. This proved to be a useful strategic mechanism to enhance joint work and make the most of opportunities in dynamic contexts.

4 UNHCR, *Global Trends Report 2023* https://www.unhcr.org/global-trends-report-2023.

5 "The New Way of Working (NWOW) calls on humanitarian and development actors to work collaboratively together, based on their comparative advantages, towards 'collective outcomes' that reduce need, risk and vulnerability over multiple years." – United Nations Joint Steering Committee to Advance Humanitarian and Development Collaboration, "The New Way of Working".

6 Every four years, the international community comes together as part of a stocktaking exercise referred to as the Global Refugee Forum. The 2023 Forum hosted more than 4,000 participants from around the world, culminating in 1,750 pledges of support estimated to equate to USD 2.2 billion in new financial commitments.

7 Egypt, Ethiopia, Iraq, Jordan, Kenya, Lebanon, Sudan and Uganda.

8 The Opportunity Fund provides an additional pool of resources outside of the MACPs and MAGRPs which country, regional and global teams can access periodically by submitting a joint proposal for programming that leverages new areas of work or builds on existing ones that have demonstrated considerable value addition.

▶Figure 1 PROSPECTS countries



▶ILO and partners Opportunity Fund programmes that were awarded

Global and regional level:

- Advancing Young People's Engagement and Meaningful Participation in the PROSPECTS Partnership, 2023
- Promotion, inclusion and protection of refugees and host communities in the digital and gig economy, 2023

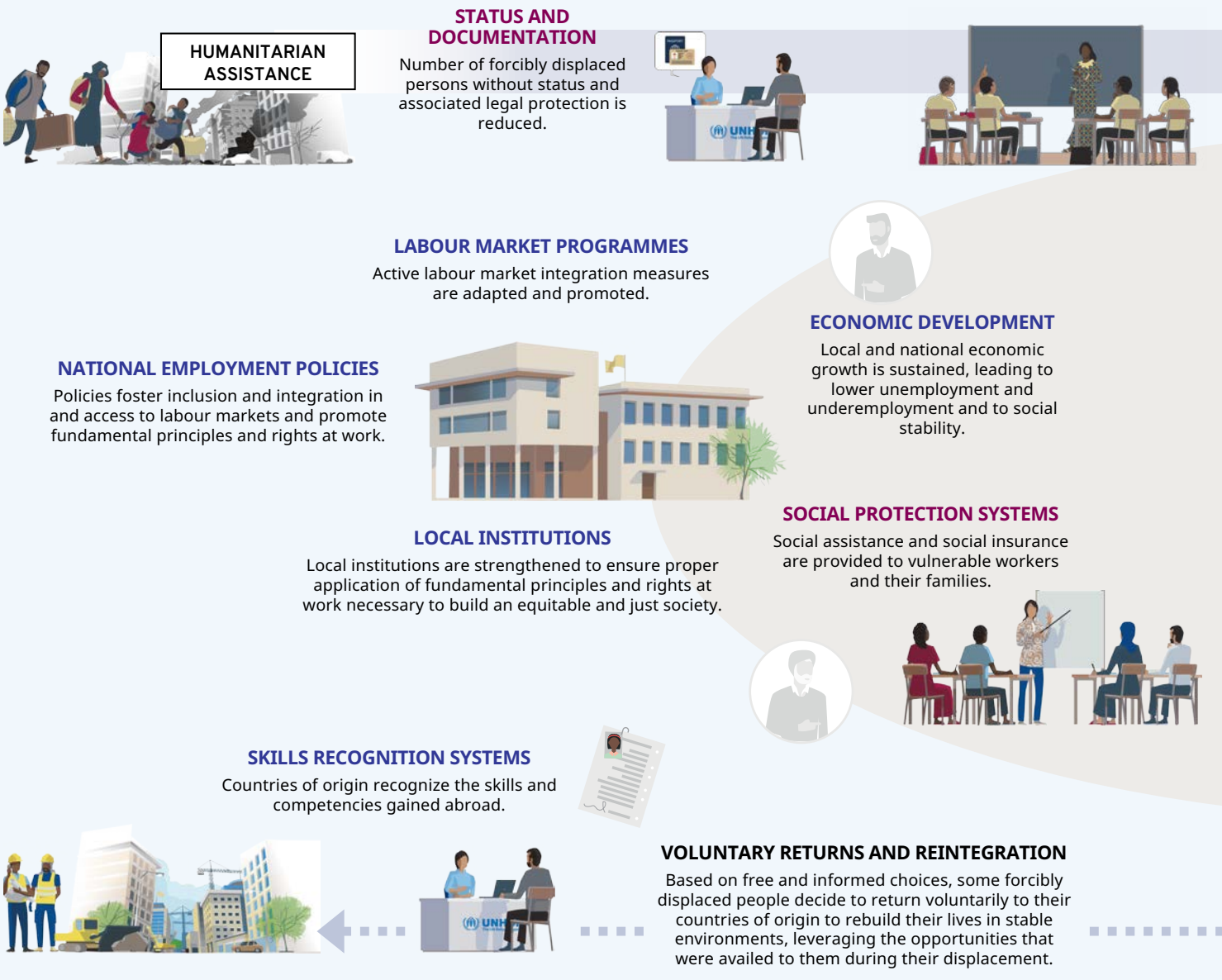
Country:

- Emergency Unemployment and Employment Stabilization Fund *Estidama++* (Jordan), 2022
- Expanded Economic Opportunities for Urban Refugees and Egyptian Youth in the Digital Economy in Egypt, 2022
- A Digital Revolution for Young Refugees and Youth in Host Communities in Kenya, 2022
- Improving Mental Health & Psychosocial Support (MHPSS) and Developing Livelihood Skills among Refugees and Host Communities (Uganda), 2022
- Supporting Decent Employment Creation for Vulnerable Lebanese Citizens and Syrian Refugees in High-Value Agriculture Chains, 2022
- Empowerment of Forcibly Displaced Girls and Women in Egypt, 2023
- Empowering Women and Combating Inter-Community Violence through Agro-Cooperative Organization and Value Chain Integration (Sudan), 2023
- Connected Learning, Digital Skills and Microwork Sustainable Solutions (Uganda), 2023
- Promoting Youth Employability, Entrepreneurship and Engagement in Local Economic Recovery and Development in Nineveh (Iraq), 2023

ILO engagement in PROSPECTS

Within the Partnership, the ILO plays a key role on work under the second pillar (employment and decent work), while contributing significantly to skills development and active labour market programmes among others under the first pillar (education and training), and social protection under the third pillar (protection). From the outset, it was apparent that no single technical area of the ILO could, by itself, help refugees and members of host communities attain self-sufficiency. Instead, a holistic approach was required that also drew on the comparative advantages of the other PROSPECTS partners. Hence, work under these broad pillars spans ILO technical departments and areas of expertise and addresses such cross-cutting topics as youth engagement, digitalization and gender and disability inclusion. Across areas, work focused on strengthening national systems and institutional capacities, and promoting local economic development in ways that upheld decent working conditions for both refugees and members of host communities.

Figure 2 The ILO PROSPECTS Theory of Change



From the time a displaced person arrives in the host country, they are in an environment where they face both practical and legal barriers to accessing employment and livelihood opportunities. Skills and qualifications gained in their country of origin may have been lost or may not be recognized, while professional networks and financial capital are also likely to no longer exist as a result of displacement. Members of the host community, while not displaced, may be no better off in terms of financial capital and resources, as many areas hosting refugees are poor and disadvantaged. Therefore, both refugees and host community members start from a disadvantage, so a proactive and holistic intervention model is required that supports positive employment outcomes. PROSPECTS country teams set out to develop programming that is rooted in local labour-market contexts and responsive to the needs of workers, employers and governments. What emerged were programme portfolios that made the most of multiple areas of ILO expertise to address local development and the economic empowerment of the target groups. While programme areas intersected and incorporated some of the same elements, ten main areas of intervention can be identified – in addition to cross-cutting topics – across the PROSPECTS countries.

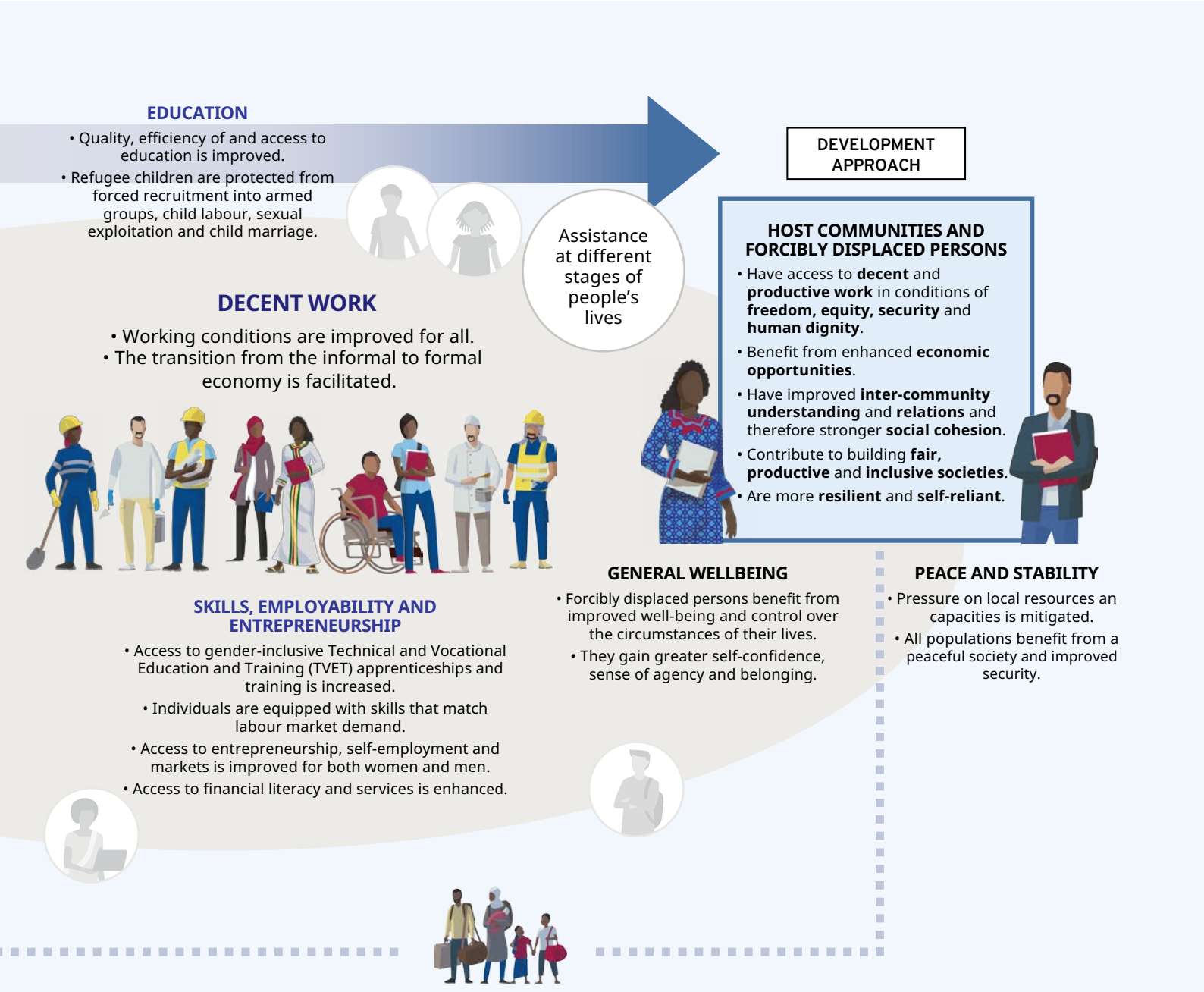


Figure 3 PROSPECTS thematic pillars and main areas of intervention



Education	Employment	Enterprise	Protection
Skill Profiling, Qualification Recognition, Recognition of Prior Learning	Job Search Clubs	Market Systems and Value Chain Development	Social Protection
Work-based Learning	Employment Services	Business Development Services	
	Employment Intensive Investment Programmes	Financial Inclusion	
		Cooperatives and the Wider Social Solidarity Economy	

Gender and disability inclusion, youth engagement, digital and gig economy

The ten areas of intervention were identified from among the considerable labour market challenges in the eight PROSPECTS countries. While there were commonalities relating to informality, high unemployment (particularly among young people) and varying levels of labour-market restrictions placed on refugees, the areas addressed and the interventions themselves varied according to the socio-economic and political landscapes across the eight countries. The ten areas were broadly as follows:

- **Skills profiling, qualifications recognition and recognition of prior learning (RPL):** skills profiling is a mechanism to identify and document the skills in supply, whereas skills recognition helps workers validate the skills and competencies they have gained formally, non-formally and informally. RPL is defined as a "process, undertaken by qualified personnel, of identifying, documenting, assessing and certifying a person's competencies … based on established qualification standards".[9]
- **Work-based learning:** this term refers to all forms of learning that take place in a real work environment. It can combine theoretical, classroom-based training with a period of practical application on the job.
- **Job Search Clubs:** JSC is a methodology developed to support young people facing difficulties in their job-search process. The core of the JSC is a two-to-three-week intensive group activity for groups of around 16 young people, led by two trained facilitators. This group phase is not designed as training, but as a space where each club member is supported through activation measures, peer-to-peer support and other behavioural methodologies.

9 The ILO Quality Apprenticeships Recommendation, 2023 (No. 208).

- **Employment services:** these play a key intermediary role in the labour market by referring job-seekers to employment opportunities that match their skills, qualifications and training to enhance their employability. They also serve employers, helping them recruit talent and (re)skill existing staff.
- **Employment Intensive Investment Programmes (EIIP):** this focuses on the creation of short- and medium-term employment opportunities in infrastructure development, while helping improve community assets and quality of life. The programmes provide a source of immediate income, alongside an opportunity to learn and apply skills, as well as potentially establish new or grow existing enterprises.
- **Value-chain development and market systems:** a "market systems approach" focuses on understanding the overall system in which refugees and host communities live and make a living, and designs tailor-made solutions to make markets work better for both communities.
- **Business development services:** BDS[10] encompass non-financial forms of support that enable business start-up, development and expansion. Enterprise development training tools help small-scale entrepreneurs generate business ideas, prepare business plans and understand administrative, management and formalization processes.[11]
- **Financial inclusion:** this enables access to financial services through formal and informal financial service providers for groups traditionally left outside of formal banking systems. At the national level, it requires legislation and policies that make finance accessible to all segments of society, alongside adapted financial products and services.
- **Cooperatives and the wider social solidarity economy:** the SSE comprises enterprises and organizations that serve a collective economic, social and/or environmental purpose. Examples of SSE entities include cooperatives, mutual societies, foundations, social enterprises and self-help groups.
- **Social protection:** social protection or social security aims to protect individuals and families against the various risks experienced at different stages of life. As a minimum, it should ensure access to essential healthcare and income security throughout a person's lifetime and, in parallel, aim to extend to higher levels of protection.

Topics cutting across these ten thematic areas were youth engagement, gender and disability inclusion and the digital and gig economy. Across PROSPECTS countries, these topics were reflected in the above-mentioned intervention areas and, at times, addressed through targeted interventions. Looking at these topics in more detail:

- **Youth engagement:** 40 per cent of all refugees are under the age of 18, and young people aged 18–24 account for an additional 13 per cent of all refugees. Recognizing the particular challenges this group faces, and the considerable size of this population, PROSPECTS identified meaningful youth engagement as a cross-cutting and priority topic.
- **Gender and disability inclusion:** understanding how the experience of forced displacement can be affected by gender and disability was important for the development of proactive and context-specific measures that supported more equal access to employment and livelihood opportunities.
- **Digital and gig economy:** the digital economy is rapidly expanding and creating new opportunities in e-commerce, online freelancing and platform work, both online and location-based. In forced displacement contexts, the expanding digital economy offers both opportunities and challenges.

10 "Business development services include training, consultancy and advisory services, marketing assistance, information, technology development and transfer, and business linkage promotion." – Committee of Donor Agencies for Small Enterprise Development, *Business Development Services for Small Enterprises: Guiding Principles for Donor Intervention*, 2001.

11 This can include business registration, applying social security requirements for the business and its workers, complying with taxation etc.

What are PROSPECTS lessons learned about?

PROSPECTS is a unique programme, both in how it is structured and how it has been governed. It was the ILO's largest development cooperation programme at the time of implementation and its largest-ever programme by far to address forced displacement. As noted, it spans nearly all ILO technical departments and promotes joint programming with the two UN agencies (UNHCR and UNICEF) and two International Financial Institutions (IFC and the World Bank). The PROSPECTS partners also have a joint role with the donor in overseeing and guiding how the partnership develops, with built-in flexibility to adjust programming and targets on an annual basis and as country contexts require. This proved to be a key factor in deploying responsive programming in otherwise volatile contexts. A Global Steering Committee comprises participants from each of the partner organizations, as well as the Netherlands Ministry of Foreign Affairs, and serves as a decision-making body for the Partnership. Each country programme has a similar team structure, with representatives from the partner organizations and from the Netherlands embassies. The PROSPECTS governance structure presented an opportunity to reflect on programming in contexts of forced displacement and draw on lessons to inform how the ILO engages both under PROSPECTS and more generally in contexts of forced displacement.

While PROSPECTS involves intervention models that are connected across internal technical areas of the ILO, as well as with the other partners, this report focuses on ILO programming by intervention area. Cross-cutting topics, such as gender equality and non-discrimination, youth engagement and digitalization, are addressed within each intervention area, as well as in the summarizing chapter. In this way, details are provided on how the different country teams use ILO expertise to overcome obstacles and maximize the impacts of programming. Each chapter covers a different intervention area, going into detail on the activities and processes undertaken and referring to the other areas of ILO expertise that were drawn on in the responses. Case studies offer even more detail of country experiences, while overarching lessons are learned from the similarities and differences across countries. The ten intervention-themed chapters are followed by a chapter on emerging areas of work that cut across the intervention areas, and a concluding chapter. The first of these provides a summary of emerging and key areas of intervention that were not fully covered in the themed chapters. Much of this work stemmed from Opportunity Fund programmes launched at the global level, with corresponding country-level engagements. The concluding chapter examines the different intervention areas to answer bigger, more strategic questions around ILO engagement, humanitarian-development-peace nexus programming and the future of interventions in contexts of forced displacement.

The objectives of this report, therefore, are to:

- document the ILO's interventions under the first phase of PROSPECTS programming (2019–2023);
- contribute to institutional learning and inform future ILO programming in forced displacement contexts; and
- strengthen ILO partnerships and joint areas of engagement under the humanitarian-development-peace nexus.

Methodology

This report covers ILO operations during the first phase of programming under the PROSPECTS partnership (2019–2023). Its content was compiled through a combination of facilitated online and in-person group discussions, and online and field research. At the outset, a comprehensive desk review was completed of four years of ILO PROSPECTS progress reports, a selection of empirical studies, monitoring data and external evaluations. This review informed a series of online discussions that involved ILO PROSPECTS programme teams and technical specialists from the regional and headquarters levels to reflect on questions of significance to PROSPECTS and the ILO more broadly. The table on the next page is a simplified depiction of the areas and questions covered.

▶Table 1 Areas of focus and guiding questions

	1 **Area of focus 1:** Programming that cut across ILO's areas of expertise	2 **Area of focus 2:** Programming that engaged work upstream on laws, policies and frameworks	3 **Area of focus 3:** Programming that involved joining forces with the other PROSPECTS partners	4 **Area of focus 4:** Programming that adapted ILO tools and approaches
1	How did this unfold in practice?			
2	What challenges emerged?			
3	Were there interesting case studies to consider?			
4	What preliminary lessons can be learned?			

Online discussions with ILO PROSPECTS staff and technical departments were held over a two-month period and helped guide areas of focus and identify case studies for further research in the field. Online and in-person field work involved interviews and focus group discussions with ILO implementing partners and staff at the country level. In-person field work was conducted in Jordan, Kenya, Lebanon and Uganda, while online interviews were held with partners in Egypt, Ethiopia, Iraq and Sudan. All in-country field work was based on pre-identified case studies and aimed to dig deeper into different intervention models. As part of the field work, data was collected on the following cases:

- Jordan: Job Search Clubs and the development of the National Strategy for the Cooperative Movement.
- Lebanon: National Disability Allowance and the social and solidarity economy initiatives.
- Iraq: financial inclusion with the central bank and EIIP in green works.
- Egypt: Job Search Clubs and skills development with the Alexandria Business Association.
- Ethiopia: financial inclusion with the Association of Ethiopian Microfinance Institutions and the dairy value chain.
- Kenya: recognition of prior learning and the camel-milk value chain. Uganda: the apprenticeship programme in the hotel and hospitality sector and i-UPSHIFT business development training.
- Sudan: EIIP on community assets and the case of Local Economic Development Committees.

While these cases were the subject of more in-depth data collection and analysis, other cases were considered based on findings from the desk review. All information was analysed in light of the aforementioned intervention areas and by asking the main questions: how did the work unfold in practice, what challenges were encountered and what lessons could be learned? Following a preliminary analysis of the data, a four-day intensive "write shop" was convened with researchers and ILO PROSPECTS staff. At the end of the write shop, ten intervention-themed drafts were produced, which then went through a process of verification with country teams and focal points from ILO technical departments.

Limitations

The findings of the report reflect a snapshot in time, documenting what was learned by the ILO in the first phase of PROSPECTS. Learning is, however, a continuous process. Since the period of data collection (March–May 2024), some of the countries have experienced renewed conflict, economic downturn and political change. In each instance, country teams have adapted programmes, building on what they knew, incorporating new information and generating new lessons learned. Out of necessity, the report had to have a cut-off point for documenting experiences and lessons learned.

Because this report spans multiple technical areas and diverse country contexts, the level of detail is limited. The case studies included provide more in-depth descriptions of the work done, but it was not possible to achieve the same level of detail for all cases. The authors acknowledge the report's limitations in terms of depth. The report is also inward-looking, in both its analysis and narrative. While partnership with the other PROSPECTS partners was a point of discussion in field work and data collection, this report reflects the state of joint programming at the time. It does not offer analysis of how the partnership worked in terms of joint interventions. Other programme evaluations provide this level of analysis and can be read in conjunction with this report.

Finally, this report hopes to form a foundation for a continuous learning process. To this end, the report is accompanied by a learning platform that makes the lessons learned transferable to a wider and more diverse array of stakeholders. The digital format that will be finalized towards the end of the summer of 2025 allows different knowledge users to easily navigate the content of this report based on their learning needs and interests, whether these lie in a particular thematic area, country case studies, guidelines or tools. It also allows for continuous updating of information and inclusion of lessons learned as they evolve over time.

Note to readers on terminology

PROSPECTS supports forcibly displaced people and members of host communities to access education, training, decent work and social protection. The composition of displaced populations varies from country to country, so this report employs several terms when referring to them. *Forcibly displaced people/persons* is used as an all-encompassing term to include refugees and internally displaced people/persons. Unless otherwise stated, returnees are considered as part of the host community. The term *refugee* is used in line with the UNHCR definition,[12] regardless of the recognized status in-country.

The report also uses the term "programme team" to refer to ILO PROSPECTS programme teams at the country level. These typically comprise a programme manager (Chief Technical Adviser), technical officers, national programme coordinators and finance and administrative assistants. Because the focus of this report is ILO operations and activities in the first phase of PROSPECTS, the term PROSPECTS refers to ILO PROSPECTS unless otherwise noted. Other terms are described in footnotes, with all initialisms and abbreviations written out in full in a dedicated section.

12 The 1951 Refugee Convention defines a refugee as a person who "owing to well-founded fear of being persecuted for reasons of race, religion, nationality, membership of a particular social group or political opinion, is outside the country of [their] nationality and is unable or, owing to such fear, is unwilling to avail [themselves] of the protection of that country".



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1

Skills profiling, qualifications recognition and recognition of prior learning

1.1 Description of key approaches 14

1.2 Narrative and lessons learned 20

1.3 Sustainability 23

1.4 Integration with other areas of work 23

1.5 Challenges 24

Key takeaways 25

The development and recognition of market-relevant skills enhance workers' employability, while also supplying employers with skilled workers. When grounded in labour market information, skills recognition processes can smooth the transition into employment. Skills profiling is one mechanism to identify and document the skills in supply, whereas skills recognition helps workers validate the skills and competencies they have gained formally, non-formally and informally. Recognition of prior learning (RPL) is defined by the ILO as a "process, undertaken by qualified personnel, of identifying, documenting, assessing and certifying a person's competencies … based on established qualification standards".[13] RPL usually leads to a formal qualification. It helps workers make their skills visible to prospective employers and access new employment opportunities, further education and training. This is particularly relevant for refugees and other forcibly displaced people, many of whom fled their homes without their academic certificates or proof of qualifications, which may, in any case, not be recognized in the host country.

Most countries have systems in place to recognize foreign qualifications – often called credential evaluation, or qualifications recognition. However, these processes are often bureaucratic, lengthy and difficult to access for those who possess qualifications from abroad. Often, qualifications recognition is available for higher secondary, post-secondary or tertiary degrees, but less so for vocational degrees.

Skills recognition processes emphasize that learning happens in a wide variety of contexts and situations. These include formal learning, often in a recognized institution and which is designed to produce specific learning outcomes and lead to a nationally recognized certification. They also include non-formal learning, which is intentional learning but often not certified, such as short training courses undertaken in the workplace, apprenticeships in the informal economy, or short courses offered by civil society organizations and other actors. They can also encompass informal or experiential learning, which occurs through work experience. RPL assessment and certification are conducted according to occupational, qualification, or industry standards that reflect the competencies required for a given profession at a certain level.

RPL has emerged as a particular area of focus for PROSPECTS, as it is a way of nationally certifying refugee and host community members' skills and thus supporting their employability. This falls within PROSPECTS' objective to include refugees in national systems and support their economic empowerment and social inclusion. This chapter focuses on approaches to skills profiling, qualifications recognition and RPL that have been used in some PROSPECTS countries to identify and certify the skills of refugees and members of host communities.

1.1 Description of key approaches

Interventions in PROSPECTS countries in the area of qualifications recognition and RPL were analysed and found to have taken place at the macro, meso and micro levels. Interventions included work upstream – to develop and strengthen RPL frameworks and policies, complemented by institution-strengthening and capacity-building for RPL professionals (assessors) – and work downstream – to pilot qualification recognition and RPL processes. Pilot programmes were conducted in sectors with a high level of participation by refugees and forcibly displaced people, including the construction sector in Jordan, and industrial sectors in Kenya and Uganda. These activities reinforced processes that were both inclusive of and accessible to the PROSPECTS target groups.

13 Quality Apprenticeships Recommendation, 2023 (No. 208).

1. Skills profiling as a measure to identify and demonstrate skills

Identifying and documenting skills in a résumé or CV is valuable for building job-seekers' confidence and can provide a foundation for future education and training. Skills profiling allows the job-seeker to understand how their skills are transferable to different occupations and sectors. This is particularly relevant for refugees, who may not see how their previous experiences are relevant to the opportunities available to them in the host country. It is equally relevant for members of the host community who have gained work experience and knowledge informally.

In Lebanon and Egypt, which both lacked accessible national skills profiling and recognition processes, PROSPECTS introduced a tool to facilitate more rapid skills profiling for refugee and host community job-seekers. SkillLab is an agile digital mechanism that can quickly capture the competencies of refugee and host community job-seekers for the purpose of career counselling. The mobile-app format allows users to input past learning and work experiences, and this information is then generated into a CV using artificial intelligence (AI). In doing so, SkillLab documented job-seekers' relevant experiences and helped them market their own competencies to potential employers. The skills profiles were used by employment counsellors to guide refugee and host community members into relevant job and training opportunities.

In Egypt, SkillLab was introduced within the Alexandria Business Association's Vocational Training and Employment Centre (VTEC), providing the Centre's staff with a tool for capturing the skills of current and prospective students. In Lebanon, an INGO used the tool to develop targeted employment pathways for young job-seekers who visited UNHCR's Community Development Centres for career guidance. Staff in both organizations were trained by PROSPECTS in how to deploy the tool and use the information for referring job-seekers to relevant training and employment. In Egypt, SkillLab was ultimately institutionalized into the Alexandria Business Association's ongoing employment-centre operations.

While agile skills profiling tools can play a role in targeting career services, they are no substitute for national recognition processes. The fact that SkillLab is a digital tool was also somewhat problematic for the PROSPECTS target group. In Egypt, following the piloting of the tool, a survey among refugee and host community job-seekers revealed that, while the tool was useful in capturing skills, it required investment of time. Users reported taking between three and six hours to complete their profiles independently. They also felt the tool was of limited use in their own job-search process, with less than a third of users reporting that it helped them find a job. More intensive support and follow-up was needed from career counsellors, particularly for people who were less digitally literate.

In other PROSPECTS countries, rapid skills profiling exercises were used in addition to the SkillLab tool to target career guidance. In Uganda, skills mapping and profiling were conducted as part of mobile employment services set up by PROSPECTS in rural, refugee-hosting regions.[14] Because the refugee settlements targeted by these services were at a distance from urban areas, there were no Ministry of Gender, Labour and Social Development (MGLSD) job centres. In addition, the majority of the target group also lacked certification or recognition of skills. Using the rapid profiling exercise, the mobile employment services could more quickly and accurately refer individuals to jobs. Out of 385 refugee and host community job-seekers who were profiled through the mobile services, 205 transitioned into employment following the exercise.

PROSPECTS' experience showed that skills profiling tools can serve as relatively low-cost mechanisms for understanding refugee and host community members' skills and that this understanding can then inform the planning of further training, employment and livelihoods interventions. From the perspective of job-seekers, it gave them greater awareness of their own skills and helped them understand the transferability of their skills to different job and training opportunities. It was mostly useful in the context of career guidance and employment services, enabling them to better match skill supply and demand within a population that lacked formal qualifications. This was particularly useful for refugees who had either no or limited access to public employment services or TVET training institutions that would otherwise help them understand how to orient their skills towards other opportunities.

14 ILO, "Unlocking potential #3: ILO's apprenticeship programme in Uganda – story of GAD", ILO Rural Employment Services, 2023.

2. Strengthening policies, frameworks and implementation for inclusive recognition of qualifications and RPL systems

In Kenya, Uganda and Jordan, legislation was in place regarding recognition of qualifications and RPL processes but it was not fully in force. In Kenya and Jordan, RPL legislation existed, but in the absence of accompanying frameworks, guidelines and tools, these processes were not implemented. All three countries also had sizeable populations of refugees, many of whom were in a protracted situation and lacked any option to have their skills nationally recognized. Many of these individuals had received education and training and gained work experience in their country of origin, as well as experience through non-formal and informal learning, training and work in the host country. Hence, there was a pool of experience and knowledge that wasn't recognized and therefore was difficult to translate into productive employment. For RPL to be taken up and supported by national policymakers, it was important to make them aware of this barrier faced by both refugee and host community job-seekers and of the challenge this posed to employers in finding qualified workers. Recognition of qualifications and RPL needed to be understood by policymakers as a tool for formalization and enhancing productivity.

RPL frameworks and implementation guides helped give practical effect to otherwise dormant RPL legislation. In Jordan, PROSPECTS supported the Technical Vocational and Skills Development Commission (TVSDC),[15] the main national skills development institution, to review existing RPL policies in light of international best practice and draft a national RPL framework and implementation guide. A series of extensive consultations took place prior to the framework-drafting process, involving the TVSDC, the National Sector Skills Councils (NSSCs), Chambers of Commerce and Industry, TVET providers and accreditation bodies. Alongside the TVSDC, existing NSSCs supported the review and development of a structured and standardized plan. The plan was agreed upon with the TVSDC and the NSSCs, and included a phased pilot of the RPL framework and implementation guide. PROSPECTS influenced the selection of occupations to ensure it included both refugees and members of the host community, so the process was tested among and accessible to both groups.

One of the key drivers for establishing the national RPL framework in Jordan was the wider national agenda on formalization. RPL was introduced to provide access to occupational licences and formally signal a worker's skills. The process was understood by national decision-makers as playing a catalytic role in formalization.

In Kenya, PROSPECTS intervened upstream to support the development of an inclusive RPL framework and implementation guide. Support was directed through a National Steering Committee on RPL, under the purview of the Kenya National Qualifications Authority (KNQA). As part of its work with the committee, the PROSPECTS team also helped build the capacity of its 15 members. Several rounds of training were conducted so that the members could develop RPL tools and guides, capacity-building manuals and standards for RPL practitioners. A review of the RPL policy was also carried out with the committee, with a view to ensuring it included refugees and other marginalized groups. As a result, the framework itself featured language that provided for the extension of RPL services to refugees, asylum-seekers and migrants. Having this in writing in a document approved by Cabinet (the executive branch of the Government of Kenya) reinforced measures downstream to make RPL inclusive of refugees.

15 The TVSDC was established in 2019, based on the Technical and Vocational Skills Development Law, and serves as a governing body for upgrading the quality and relevance of vocational education and training in Jordan.

▶ A phased approach to establishing Jordan's RPL framework and implementation guide

1. Selection and preparation phase:

- identification of high-demand occupations in the Jordanian labour market for the pilot, aligned with existing occupational standards;
- assessment of prior RPL practices and tracer studies dating back to 2016, serving as the foundation for developing relevant assessment tools;
- establishment of technical working groups, composed of practitioners and NSSC members, to design and refine the assessment tools.

2. Implementation phase:

- development of an applicant service guide, detailing processes and certification requirements, which underwent multiple technical reviews;
- training of future RPL assessors and administrators;
- design and launch of a digital self-assessment tool, enabling applicants to document and submit evidence of prior learning and experiences as part of their RPL application.

In Kenya, to support the continued operation of RPL in the country, PROSPECTS commissioned a costing exercise for the RPL assessment process, whereby the Differentiated Unit Cost of RPL[16] was calculated based on the policy framework and implementation guide. This established costing model accounts for differences based on qualification levels, units of competence and types of occupational profile. The exercise also informed recommendations that were made to the government regarding cost-sharing arrangements between key stakeholders in the RPL process and financing models for the continuation of RPL.

In Uganda, prior to PROSPECTS' intervention, there was merely a process whereby existing foreign qualifications were equated to national ones. This was only useful for refugees who possessed formal degrees and certificates from their host country. Through a partnership with the Federation of Ugandan Employers (FUE), PROSPECTS crafted a solution to have the skills of those without formal certification recognized, too. Based on a joint assessment of the occupations that required certification in Uganda's industrial sector, PROSPECTS and the FUE approached the Directorate of Industrial Training (DIT) to explore the possibility of having a "Worker's PAS" (Practically Acquired Skills) document granted to workers without formal certificates, subject to examination of their skills and competencies. The Worker's PAS demonstrates workers' competence to industrial employers. On a pilot basis, the DIT conducted a skills assessment with a cohort of refugees who had experience in the industrial sector but no proof of qualifications. Upon receipt of the Worker's PAS, close to 70 per cent of assessed workers were employed, demonstrating the value of both sector-specific certification and working in close partnership with employers. While this certificate is not equivalent to qualifications in the formal system, it nevertheless proved to have value in the labour market.

16 A Differentiated Unit Cost analysis looks at the individual components of RPL, from curriculum development to awarding certification, allowing policymakers to more accurately account and plan for the costs of RPL across different occupations.

3. Making qualifications recognition more accessible to refugees and host community members

In Jordan, a partnership with a private sector technical college, Luminus, helped refugees who had participated in the training obtain occupational licences in the absence of an effective RPL system. These licences were accredited by the TVSDC based on the trainees' skill level and constitute a formal certification. Applicants for the occupational licences are normally required to complete a 48-hour pre-assessment training course. However, because the refugee cohort had already undergone technical and practical training at Luminus, the TVSDC agreed that they could complete an abbreviated online course and assessment to fulfil the accreditation criteria. This also reduced the travel time associated with attaining the formal certification.

▶ Promoting Social Cohesion and Peaceful Coexistence in Fragile Contexts through TVET

Promoting Social Cohesion and Peaceful Coexistence in Fragile Contexts through TVET is a guide that was developed to strengthen the role of TVET practitioners as active promoters of social cohesion. It provides practical guidance to trainers and managers of training centres on how to adapt delivery to mixed groups of students; embed conflict-resolution skills, cooperation and other relevant core skills into training curricula; and create conflict-sensitive, inclusive and diverse learning environments for all. The guide sets out a four-day curriculum to build the capacities of TVET trainers in facilitating core skills in social cohesion, so that they are able to include social-cohesion elements in their skills development curricula.

Sample four-day curriculum:	▶ **Day 1:** Creating the learning group and wider context ▶ **Day 2:** Understanding social cohesion in fragile contexts working with youth and adults – the role of the trainer ▶ **Day 3:** Exploring resources: what we bring and what else is out there to promote inclusion ▶ **Day 4:** Assessing social cohesion and preparing for change

The guide was piloted under PROSPECTS in Kenya, Ethiopia, Jordan and Uganda, in cooperation with the Peaceful Change Initiative. A total of 73 trainers took part in a training-of-trainers session on incorporating conflict-sensitive methodologies and elements into the design and planning of vocational training programmes. In the Kenya pilot, occupational standards for technical trainers and the corresponding teacher-training curriculum were revised to take account of the role of trainers in promoting social cohesion and peaceful coexistence, following the guide. ■

In Uganda, PROSPECTS supported efforts to equate and validate the qualifications refugees obtained in countries of origin through the National Council for Higher Education (UNCHE). This was the first time the UNCHE had been in direct contact with refugees, so these efforts also served to raise its awareness of the challenges refugees face in having their skills and qualifications formally recognized. A radio campaign was run to raise awareness among refugees and host community members regarding qualifications recognition. This helped more than 300 refugees have their qualifications equated at certificate, diploma and degree levels.

Digitalizing aspects of the RPL process, whether in the form of online assessments or applications, helped improve accessibility for people living in remote areas. In Jordan, the above-mentioned abbreviated RPL course was available online, while, in Uganda, a digital platform was developed to simplify the process of recognizing and equating qualifications, and avoid refugees having to travel to Kampala from the distant Nakivale and Rhino settlements to access these services. In Kenya, the PROSPECTS team supported the digitalization of these services by developing an RPL management information system. This system, which was piloted with a cohort of refugee and host community RPL candidates, allows the candidates to submit applications and take assessments online, thereby removing the need to travel to assessment centres.

▶Inclusive recognition of prior learning in Kenya

The value of RPL has long been recognized in Kenyan legal and policy frameworks. The National Industrial Training Authority (NITA), part of the Ministry of Labour and Social Protection, has implemented a type of RPL since the 1960s in the form of Government Trade Tests. In an effort to standardize these tests, the Kenya National Qualification Framework Act No. 22 of 2014 mandated the Kenya National Qualifications Authority (KNQA) to coordinate the development of national policies on RPL. A national policy was drafted in 2018 but not implemented, owing to limited funding and technical expertise. PROSPECTS responded to this gap in application by supporting the KNQA and relevant national bodies in the development of a framework, implementation guidelines and assessment tools that were piloted with groups of refugees and host community members.

Under PROSPECTS, the ILO's first line of support was to the Ministry of Education, through the KNQA, and involved setting up a National Implementation Committee on RPL (NIC-RPL) and a National Advisory Committee on RPL (NAC-RPL) and building their capacities. The next stage involved providing technical assistance and guidance on developing an RPL policy framework and implementation guidelines. In doing so, the PROSPECTS team was able to encourage the inclusion of language that made the extension of RPL services to refugees and asylum-seekers explicit. This then provided grounds for piloting in the refugee-hosting areas of Garissa and Turkana Counties, particularly as PROSPECTS Kenya already had memoranda of understanding with the County governments.

To give practical effect to the policy framework and guidelines, support was also provided for capacity-building and piloting. Fifteen members of the NIC-RPL received training and extended coaching sessions, which proved critical in the development of RPL national training standards and practitioners' guidelines.

In May 2021, an RPL assessment conducted in collaboration with the NITA and the TVET Curriculum Development Assessment and Certification Council identified five occupational profiles for a pilot intervention: textiles, automotive mechanics, welding, hairdressing, beauty therapy and agriculture. In all, 38 young refugee and host community members were assessed in these different occupational profiles.

Following the pilot, the Cabinet approved the RPL policy framework in April 2022, preparing the ground for country-wide implementation. In the same month, the ILO supported the development of a national implementation plan, in which stakeholders from, among others, accreditation bodies, TVET colleges and employers' and workers' organizations participated. In May 2022, a costing exercise was commissioned to calculate the Differentiated Unit Cost of RPL, in order to determine the cost of RPL processes and put forward recommendations for financing models. PROSPECTS also provided technical assistance to identify occupations that required proof of competency in sub-sectors that were attracting foreign and domestic investment and that showed potential for considerable decent-job creation. This helped focus efforts on operationalizing RPL based on demand and contributions to economic development.

The ILO also provided support to train national RPL practitioners on assessment tools and methodologies to further expand the system. Between August and December 2022, an extended RPL pilot was implemented, which resulted in 500 candidates being assessed overall. In one such case, PROSPECTS collaborated with Base Titanium, a subsidiary of an Australian mining company, whereby 28 refugee and host community employees of the company were assessed, 22 of whom were found to be competent and so were certified through RPL. This helped the employer facilitate the movement of staff between its various locations in Kenya and abroad. Other private sector actors, such as Kengen (an electricity producer) and the Kenya Power and Lighting Company, invested their own resources in implementing RPL exercises and having their employees assessed. In these cases, formal certification facilitated the companies' administrative processes, making it easier to identify employees for relevant appointments and transfers.

The PROSPECTS team also coordinated with other donors in Kenya to encourage them to include RPL as part of the skills development programmes they were funding. In the absence of RPL, individuals trained through these donor-funded projects would ultimately lack formal certification. PROSPECTS complemented activities under the Swiss-funded Skills for Life programme in Kakuma, for example, by certifying trainees through RPL, so that they graduated with a qualification.

Building on its active role in supporting the development and rollout of RPL, PROSPECTS Kenya leveraged opportunities to invest in further RPL curriculum development. For example, the ILO had established a partnership with an ICT training organization, Learning Lions, to train young people in coding, web design and animation. However, the certificate issued at the end of the course was not nationally recognized. In collaboration with the Technical and Vocational Education Training Authority (TVETA), PROSPECTS supported a review of the Learning Lions curriculum and used this as a basis to establish an RPL curriculum in creative design and web development. Refugee and host community trainees then had the opportunity to access the national RPL process and have their credentials certified. ■



1.2 Narrative and lessons learned

Operational lessons learned

While the insight gathered by PROSPECTS into skills recognition tended to focus on RPL as a concept, lessons were also learned regarding the role of the certifying authority, curriculum development, the assessment process and the role of the private sector.

Leveraging pilot programmes to develop and strengthen national skills recognition processes

National RPL frameworks and policies can take considerable time to develop, in part because they necessitate widespread consultation and are subject to government review and approval processes. In the absence of a fully developed policy and framework on RPL in most countries, the PROSPECTS teams initially supported pilot activities on skills recognition and certification. These served as both proof of concept and a basis on which to embed RPL within a national institution. Activities also included building the capacity of institutions involved in RPL to develop a framework and policies.

A pilot digital skills training course in Kenya served to help develop the curriculum used as a basis for RPL standards by the KNQA. In Jordan, a pilot RPL was conducted with Luminus Technical University College, focusing on training in construction and construction-related occupations. As part of the process, PROSPECTS supported Luminus to become a nationally certified RPL training provider, thereby increasing the number of institutions that could provide RPL training under the purview of the TVSDC.

Engaging employers to identify priority occupations and develop occupational and assessment standards

Employers are best positioned to identify the types of skills and qualifications they need for their operations. At sector level, employer organizations and industry associations can help prioritize skills needs. Individual employers and sector experts also have a role to play. PROSPECTS teams actively engaged employers and industry experts in the development of market-relevant training and certification processes. For the purpose of skills recognition and certification, teams worked at the national and local levels to incorporate employers' perspectives in the identification of skills needs, prioritization of sectors and occupations for RPL, and design of occupational and assessment standards.

Sector Skills Councils are one type of organizing body that contributes to the development of national skills strategies, curriculum and monitoring. Critically, they contain employer representatives at sector or sub-sector level, providing consensus on skills needs and anticipation. At sector level, the PROSPECTS team in Jordan supported the development and operationalization of an NSSC in the agriculture sector to help determine skills needs and develop occupational profiles and standards that reflected the needs of employers. This helped lay a foundation for RPL in the sector by prioritizing in-demand occupations – such as date-picking, post-production packaging and pruning – and developing a relevant training curriculum, examination processes and standards in consultation with employers.

In Kenya, NITA was key in bringing sector expertise to the RPL process. As the sole national institution mandated to develop and deliver training in the industrial sector, it was well positioned to inform the operationalization of RPL. The Federation of Kenya Employers (FKE) is represented on the board of the NITA, alongside a breadth of other industry expertise. This allowed employers to help prioritize occupations for RPL. In the 2022 pilot, Base Titanium, an existing partner of the NITA, indicated the occupations where it needed certified workers. In Uganda, the Federation of Ugandan Employers (FUE) was also instrumental in identifying the skills and occupations for which workers required national certification. This helped prioritize occupations for equating qualifications in partnership with the Directorate of Industrial Training (DIT).

Engaging employers in skills development, recognition and certification is key in identifying relevant training and certification that lead to employment. To this end, the PROSPECTS country teams focused their efforts on employer organizations and industry associations working in sectors with large numbers of refugees. In many instances, the sectors and occupations in which refugees can work are limited by law. Therefore, strategic partnerships, such as those with the NITA and DIT, can help direct skills training and certification in a manner that is responsive to employers' needs and therefore more likely to end in employment. The active participation of employers can also help build confidence in the RPL system, particularly in sectors and geographical locations where it has been weak or absent.

Planning for costs and financing models of RPL

RPL processes can be costly to operationalize, as they require individualized counselling and assessment. They may also entail visits to work sites to observe the candidate demonstrating their skills. Most PROSPECTS countries had existing RPL legislation, but there were no systems in place to support its application. In countries where competency standards and assessment tools exist, costs can be lower. For example, in Kenya, where RPL was introduced in digital sectors, the structures and capacity had already been built, so costs were lower. To ensure that RPL processes could be scaled up, a costing exercise was conducted to support national planning. The calculation of the Differentiated Unit Cost of RPL in Kenya is an example of good practice that helped stakeholders anticipate costs of the assessment processes and consider financing models.

RPL assessments also entail a cost to the RPL candidate in the form of RPL fees. While these fees will be lower than the cost of full-time training or education, they may still be beyond the financial means of PROSPECTS' target groups. Cost-sharing arrangements based on assessments like those conducted in Kenya can help determine a financing arrangement that can offset the cost for RPL candidates of limited financial means. The example from Kenya, where the firm Base Titanium paid for RPL assessments of its employees working in various countries, can also be considered where there is clear value to the employer in having existing employees certified.

Raising awareness and providing support to skills recognition candidates

RPL processes are time-intensive and require dedication on the part of the applicant. Depending on the sector, applicants may need to prepare a portfolio of work, evidence of credentials they may have and a résumé. The way these items are to be presented will also vary from sector to sector. The process can take several months to complete. In cases where the applicant's portfolio is deemed below standard, they are typically given an option to rework and resubmit it, which prolongs the process and, potentially, the costs involved. Therefore, it is important to clearly outline the associated costs and time expected, so that applicants can make informed decisions from the outset about pursuing RPL.

In Uganda, even though the intervention focused on equating and validating qualifications through the UNCHE, the PROSPECTS team still dedicated time and resources to awareness-raising among the target group. This included the aforementioned informational campaigns on radio talk shows, television ads and workshops delivered within the two main refugee settlements. In Kenya, the programme team engaged national actors on RPL processes through a free Massive Open Online Course (MOOC) on RPL, hosted by the International Training Centre of the ILO (ITCILO). This served to expose members of the NIC and NAC for RPL to international good practices and encouraged knowledge exchange in the design and implementation of RPL systems.

As qualification recognition and RPL processes get underway and are increasingly promoted by national institutions like the KNQA and UNCHE, interest from industry and employers grows. In Kenya, the Kenya National Federation of Jua Kali Associations (KNFJKA), an umbrella body for informal artisans and small manufacturers, had advocated for the use of RPL since first engaging with PROSPECTS in 2022.[17] This was seen as a measure to improve the access of artisans and manufacturers to opportunities for marketing and selling their products. Following an awareness-raising workshop, the KNFJKA cascaded information on RPL down to members and helped encourage them to get assessed and certified.

Creating accessible assessment and certification processes

As noted above, the way and place in which assessments are administered can have implications for participation. Onsite observation of skills can facilitate skills recognition, while also reducing time and resource barriers. For example, in Kenya, the PROSPECTS programme facilitated the signing of a memorandum of understanding with the Eldoret National Polytechnic in Turkana County to conduct RPL. The MoU allowed the TVET trainers to use their training venue as an RPL examination centre, thus saving costs for refugee and host community members interested in obtaining RPL certification. In Kenya, Jordan and Uganda, PROSPECTS also helped digitalize part of the RPL process, reducing the need for applicants to travel to centres to submit their applications or sit abbreviated courses. In these cases, additional measures needed to be taken to make training and testing accessible. In countries where refugee-hosting areas and settlements are in remote locations, for example, physical infrastructure, such as satellite centres, may be required.[18]

Demonstrating the added value of skills recognition and certification to employers and workers

While skills recognition and signalling undoubtedly has value for both workers and employers, this will vary according to the context. It will be higher, for example, in contexts where systems are well established, with clear steps to obtain qualifications through a standardized approach from an awarding body. In the PROSPECTS countries, national RPL and other skills recognition systems were underdeveloped, so creating awareness of the process and the value it can add was a critical first step. This was even more relevant in instances where the PROSPECTS team partnered with employer and industry associations, thereby building employers' trust in national certification as an indicator of workers' skills and competencies. A case in point was Uganda, where 70 per cent of workers who received a Worker's PAS though the Directorate of Industrial Training subsequently found employment.

From the perspective of workers, skills profiling and recognition can give them greater confidence in their job-search process. For refugee populations, in particular, having a nationally recognized qualification further legitimizes their participation in the labour market and provides a greater sense of security and protection.

17 For more information on the engagement of KNFJKA, see ILO, "Bringing recognition to the skills of informal 'Jua Kali' sector workers in Kenya", ILO News, 6 January 2022.

18 In Ethiopia, a TVET satellite centre was constructed in Jigjiga, which brought TVET closer to refugees in the Kebribeyah settlement.

1.3 Sustainability

Anchoring skills recognition processes in national policy and implementation plans helped promote coherence across policies, as well as the allocation of necessary national financial and human resources. For instance, in Kenya and Uganda, the local development plans are led by the district and county governments. National frameworks, such as RPL, are reflected in those local plans and subsequently implemented at the local level. To bring the national policy frameworks into practice, PROSPECTS supported the production of clear implementation guidelines, training and piloting.

To ensure the sustainability of PROSPECTS' RPL work, training and recognition processes were developed and embedded within local training institutions. For instance, in Kenya, Eldoret National Polytechnic incorporated two digital skills training courses into its certified training package, which meant the RPL pilot supported by PROSPECTS became part of a regularly offered TVET course. Eldoret will continue to offer training and assessment in these two courses, beyond the pilot. Because the training institutions involved in these pilot programmes have invested time and resources, they now have processes in place and experience of navigating RPL. Therefore, maintaining courses on an ongoing basis is easier and less costly, as the start-up investment has already been made.

Key to the sustainability of RPL programmes is willingness on the part of job-seekers, workers and employers to invest time and resources in them. For job-seekers and workers, they must offer enough value in terms of helping them secure a job and/or progress in an existing job. For employers, the value lies in being able to find qualified workers. Although PROSPECTS subsidized most RPL costs that would otherwise have to be paid by the applicant or prospective employer, in the long-term these costs will need to be met by workers, employers, training institutions and/or governments.

For refugee and host community job-seekers and workers, covering the full cost of RPL will likely be difficult without subsidies or grants. Costings and recommendations for financing models can help decision-makers account for such costs in the longer term. In this context, the Differentiated Unit Cost of RPL calculated in Kenya helped determine the level of financial investment required and guided forward-looking RPL planning. There are also instances where requests for RPL come directly from the employer, who is able to cover the costs of application and assessment. For example, momentum is growing in Kenya, with large, private sector companies, such as Base Titanium, now interested in having staff go through RPL processes

1.4 Integration with other areas of work

Within PROSPECTS, skills recognition, as pursued in the examples outlined above, has been integrated into other active labour market programmes (ALMPs). Skills profiling has been used to inform career guidance and has helped direct job-seekers to relevant skills training and employment. SkillLab and other profiling tools have shown how these can be used to offer a snapshot of job-seekers' competencies. In contexts where job-seekers lack formal certifications, a snapshot of their skills can be used to make referrals to relevant employment opportunities, as seen in Lebanon and Egypt. At the same time, employment services can also refer job-seekers into RPL when formal certification is needed to participate in an industry or occupation.

A less prominent but nonetheless direct link between skills profiling and entrepreneurship was also observed in identifying skill sets among job-seekers who were better suited to business development and, subsequently, referred to business development services, such as Start and Improve Your Business (SIYB) training. This was seen in both Lebanon and Egypt, where SkillLab was put to good use.

Subsequent chapters of this report discuss the clear links that emerged between Employment Intensive Investment Programmes (EIIP) and skills, where TVET training institutions play a role in developing the skills of workers to build and maintain infrastructure work. For the purpose of skills recognition, where courses end in formal certification of skills, this can help EIIP workers transition into longer-term work in the construction sector. For instance, in Kenya, the PROSPECTS team partnered with the Vocational Training Centre and Department of Public Works in Lodwar to establish a cobblestone production training course, targeting young people in the area.

The provision of information on labour rights was another useful element of market-relevant training and certification. For example, in Jordan, refugee trainees, prior to sitting the RPL exam, participated in four days of training on labour rights. While this is not standard in RPL, it does demonstrate that additional awareness-raising elements can be added before or after RPL to address gaps in trainees' knowledge.

1.5 Challenges

The cost and time involved in supporting RPL processes at national level were significant in both Kenya and Jordan. In the early stages, establishing the institutional framework and guidelines required a series of training sessions, consultations and validation exercises. Supporting RPL processes and examinations, even on a pilot basis, was both time- and resource-intensive. Even in Kenya, which had an existing training curriculum and materials, it took time for the TVETA to review the curriculum against its standards and then adapt it for RPL purposes, using trainers and industry representatives, as well as TVET and TVETA staff to carry out this work. These are useful and important multi-stakeholder participatory processes, but they are also costly.

Building up human resources to support RPL processes is also a time-consuming and costly endeavour. It requires qualifying assessors, administrators and facilitators, and delivering professional training on developing assessment tools and, in particular, on how to gather and check evidence of skills and competencies. For training institutions and bodies, there is also the cost of setting up practical scenarios for the demonstration of skills, in addition to organizing classroom exams to test theoretical knowledge. There are costs involved, too, in sending assessors to conduct assessments in alternative venues, particularly where geographical access is a factor. Even in Kenya, where RPL is the most developed, few assessors are suitably qualified and able to carry out examinations, which can limit the reach of RPL. One possible solution to geographical and access challenges is to train and empower refugees to become assessors. However, without documentation and nationally recognized ID, or acceptance by national institutions that refugees can be trained and certified as assessors, this remains aspirational.

The cost of sitting an RPL exam is also high and likely beyond the financial means of PROSPECTS target groups, unless they are subsidized or supported through scholarships. In Kenya, three companies paid for their employees to get certified – Kengen (electricity producer), Kenya Power and Lighting Company (KPLC) and Base Titanium. In Jordan, Luminus Technical University College offers some scholarships, but these remain dependent on donor finance. Regarding the costs of sitting examinations in Jordan, PROSPECTS covered these.

For those sitting RPL examinations, written tests can be a barrier to success. While greater weight is given to observation of practical skills, in some countries, a written theory test must be completed before the practical assessment. This can be problematic for population groups with low literacy rates or poor language skills, thus impacting their successful certification.

Key takeaways

- When grounded in labour-market information, skills signalling and recognition – including skills profiling, qualifications recognition and RPL – can smooth the transition into employment.
- For refugees and other forcibly displaced populations, having their skills recognized is particularly relevant, as many have fled their homes without their academic certificates or proof of qualifications and competence, which may, in any case, not be recognized in the host country.
- Identifying and demonstrating skills in a résumé or CV is invaluable to build the confidence of job-seekers and can lay the foundations for future skills development. It can also help job-seekers understand how their previous experiences can translate into future job opportunities.
- Digital skills profiling typically requires the support of employment counsellors or TVET trainers, particularly for individuals with low digital literacy. This includes support to capture skills using a web-based or mobile application, and to use the skills profile as part of a job application or job search process.
- RPL has emerged as a particular area of focus for PROSPECTS, as it has served to nationally certify the skills of refugees and host community members and support their employability. This falls within the objective of the PROSPECTS programme to include refugees in national systems and support their economic empowerment.
- Most PROSPECTS countries have legislation in place for RPL but no, or limited, systems to apply it in practice. In these contexts, PROSPECTS provided support to help operationalize RPL frameworks, develop and build the capacities of supervising bodies, train instructors and assessors, and pilot RPL programmes to test and inform national RPL processes.
- National RPL policies and frameworks can take considerable time to develop, as they need to be consulted upon, reviewed and approved by government and/or other relevant stakeholders. In those countries where policies and frameworks were not fully developed, the PROSPECTS teams nevertheless were able to support the piloting of skills recognition and certification activities. These served as proof of concept, in particular, and were therefore key in advocating for and securing further development.
- Recognition of qualifications and RPL can appeal to policymakers as a tool to support formalization more widely, not just for displaced populations. Like refugee workers, members of host communities also have informal work experience and knowledge that may not be recognized. Having a formal qualification is a significant step towards formalization.
- Employers are best positioned to identify the types of skills and qualifications they need for their operations. At sector level, employer organizations and industry associations can also help identify priority skills needs.
- RPL processes can be costly to operationalize, as they require individualized counselling and assessment. They may also entail visits to work sites to observe the demonstration of skills and competence by RPL candidates. Calculating a Differentiated Unit Cost of RPL is good practice, as it helps stakeholders anticipate the costs of assessment processes and consider financing models.
- RPL processes are time-intensive and require dedication on behalf of the applicant, who may need to prepare a portfolio of work, credentials and a résumé. The way these items are presented varies from sector to sector and the process can take several months to complete. Therefore, it is important to clearly outline the associated costs and time expected to complete the process, so that applicants can make informed decisions from the outset about pursuing RPL.



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Work-based learning

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Work-based learning (WBL) can act as a bridge between education and work by providing job-seekers with practical experience and guidance to enable them to obtain and keep jobs. Based on dynamic and changing labour-market needs, it is also a time- and resource-efficient means to provide workers with the skills and competencies they will need on the job. These include technical skills but also "soft" skills, such as teamwork, communication and time management. In contexts of forced displacement, WBL can help refugees and displaced people gain a foothold in the local labour market, by building their competencies as well as professional networks, which expand in line with work placements.

Work-based learning refers to all forms of learning that take place in a real work environment. It can combine theoretical, classroom-based training with a period of practical application on the job. There are different types of WBL, ranging from informal or non-formal on-the-job learning to those operating as a part of technical vocational education and training (TVET) qualifications. Apprenticeships are one type of WBL, where the learner (the apprentice) acquires the skills for a trade or craft, working side by side with and learning from an experienced craftsperson. The ILO Quality Apprenticeship Recommendation, 2023 (No. 208) defines an apprenticeship as "a form of education and training that is governed by an apprenticeship agreement to acquire competencies to work in an occupation".[19] It includes clearly defined learning outcomes that lead to a recognized qualification. Informal apprenticeships are also important training systems in informal economies.[20] In such schemes, the apprentice and a master craftsperson enter into a training agreement but do not follow a curriculum, nor does the apprenticeship result in a formal qualification. Other types of work-based learning include internships,[21] traineeships and structured on-the-job training.

In PROSPECTS countries, different forms of work-based learning were introduced in the industries in which forcibly displaced people and members of the host community were working. For example, in Uganda, craftspeople had taken on apprentices informally to introduce them to their chosen trade and refine techniques. PROSPECTS teams supported work to formalize such WBL and align opportunities with industry needs – and, in some cases, resulting in national certification. Work took place to modernize more demand-driven WBL policies and processes, alongside capacity-building for government counterparts, training providers, private sector employers and curriculum developers. Downstream, programme teams piloted WBL as a mechanism to enhance the employability of forcibly displaced people and members of the host community.

2.1 Description of key approaches

Based on analysis of WBL interventions in PROSPECTS countries, programmes supported wider strengthening of TVET systems that were linked to the development and delivery of WBL. This systems-strengthening included providing technical guidance and support for national qualification frameworks and standards, which enabled the development and delivery of WBL programmes. This was seen in Iraq and Uganda, as described in further detail in this chapter. Where national frameworks did not exist, pilot WBL programmes were introduced with the engagement of relevant line ministries, employer representatives and training institutions, as seen in Kenya, Iraq and Lebanon. In these cases, innovative approaches were taken to incorporate on-the-job training and work placements, alongside theoretical classroom training. In Uganda, the National Apprenticeship Framework was piloted in the hospitality sector, as outlined in the case study on page 31.

19 ILO, Recommendation concerning quality apprenticeships, International Labour Conference, 111th Session, 2023.

20 ILO, *Skills for Employment Policy Brief. Upgrading Informal Apprenticeship Systems*, 2011.

21 Internships involve temporary work placements for young people to apply learning and skills obtained as a result of formal institutional training in the workplace. Internships last up to one year, and the intern is assigned a specific job in the company to apply their skills and learn new ones. Like informal apprenticeships, internships do not follow any curriculum or result in any qualifications but are assumed to make interns more employable, since they can cite their internship experience in future job applications.

1. Strengthening and operationalizing national work-based learning

At the national level, PROSPECTS teams supported system-strengthening and capacity-building to operationalize WBL frameworks and programmes. WBL pilots were launched in sectors and geographical areas where there were displaced populations, where they addressed and were adapted to the practical barriers that impede the full participation of these populations.[22] Communication and outreach efforts engaged refugee youth-led organizations (RYLOs), local chapters of INGOs and UNHCR to ensure refugees had access to information about WBL opportunities and understood its objectives. These efforts supported the development of inclusive and accessible WBL programmes.

In Uganda, apprenticeships had long served as a practical way to introduce young people to trades. PROSPECTS partnered with the Ministry of Gender, Labour and Social Development (MGLSD) to help develop and implement a National Apprenticeship Framework, which was piloted in the hospitality sector. A National Apprenticeship Steering Committee and a Sectoral Apprenticeship Committee were set up to form a governance structure. The Committees provided oversight and guidance in the pilot processes, with a view to learning from practical experience in implementing an apprenticeship programme at scale and refining the national model.

The hotel sector was identified jointly by the ILO and the MGLSD as a pilot sector, as it aligned with Uganda's growing tourism industry, was a main employer of young people, including refugees, and was an active sector in the refugee-hosting areas in which PROSPECTS worked. The programme partnered with the Uganda Hotel Owners' Association (UHOA) and the Ugandan Hotel and Tourism Training Institute (UHTTI) [23] to develop a curriculum, identify hotels where apprentices could be placed and monitor their progress. Forty workplace supervisors were identified with UHOA and UHTTI and trained by the ILO. Each was assigned to a participating hotel. Collaboration with the Directorate of Industrial Training (DIT) helped align the processes with the government-administered trade tests and certificates, which, in turn, helped streamline the pilot within national processes. (For more details, see the case study on page 31.)

In Iraq, the programme worked with the Ministry of Labour and Social Affairs (MOLSA) and the Nineveh Chamber of Industry to introduce a competency-based[24] model in MOLSA TVET centres. Training with MOSLA instructors from TVET centres in Federal Iraq and the Kurdistan Region of Iraq helped build capacities to design and deliver training that addressed the competencies demanded in the local labour markets. This training focused on occupational analysis and the development of training programme profiles, learning guides and assessments. Building on this, PROSPECTS introduced a practical component to training delivered via MOLSA TVET centres. WBL technical working groups were formed to support each WBL pilot programme that was introduced into the MOLSA TVET centres and comprised a vocational instructor, mentors from the Ministry of Youth and Sport and in-company trainers. This enabled a participatory approach to the design of the training programmes, work plans and evaluation tools. Pilot programmes allowed the working group and trained instructors to apply WBL on a small scale and learn by doing, before streamlining it across MOLSA TVET centres.

In Kenya, based on an existing partnership between PROSPECTS and the National Industrial Training Authority (NITA), which focused on implementing the National Recognition of Prior Learning (RPL) Framework, the programme reviewed and updated an in-company and master craftsperson trainers' guide that standardized the WBL approach. The guide was to train in-company mentors, trainers and supervisors nationwide, which enabled them to use WBL as a training approach. In Garissa and Turkana counties, the programme piloted a dual-learning apprenticeship approach with the NITA, employer associations/SMEs and the county governments. This focused on industrial welding for refugees and host community members. Alignment with the NITA meant the training resulted in a nationally certified qualification.

22 Barriers included geographical distance from training sites and legal restrictions on the sectors and occupations in which refugees and displaced people can be formally employed.

23 The UHTTI trains hotel workers and led on the curriculum development process, assessment and certification.

24 Competency-based training fosters the continuous involvement of employers and trades unions in the implementation of a training programme, including the testing and certification stages.

2. Introducing and piloting WBL approaches

In other contexts, the PROSPECTS teams used different mechanisms to introduce practical elements to more traditional classroom-based training. Pilots were conducted in sectors and for occupations in which refugees were employed. These included agriculture, construction, industrial sectors and crafts. The choice of partners also extended beyond national TVET providers and responsible line ministries to include local partners that could help develop and apply models that were fit for purpose and market-driven at the local level.

In Lebanon, the programme had already invested in building the capacities of Ministry of Agriculture (MOA) trainers using a competency-based training approach. The programme encouraged farmers and agricultural employers in refugee-hosting areas to support an additional seven-week, work-based learning component of a classroom training course delivered at an MOA technical school. The University of Balamand Veterinary Department took on a small cohort of the refugee and host community trainees to roll out mobile veterinary services for local farmers. A professor from the University supervised the trainees and provided guidance as they visited farms to administer vaccines and conduct artificial insemination for cattle. The University was accustomed to teaching and guiding students, and oversight from the professor helped ensure that the service delivery was still efficient, responsive to farmers' needs and safe for livestock.

In Egypt, the programme built on a partnership with a local business association, the Alexander Business Association (ABA), to pilot quality apprenticeships with Association members. This was done within ABA's own vocational training and employment centre, where capacities were developed to train, place and monitor apprentices. The apprenticeship programme responded to industry demand for standardized and market-driven apprenticeships and involved three months of on-the-job training in the operations of ABA members. The selection of occupations and design of the curriculum against required competencies were also stipulated by ABA members, enabling a more responsive model to the market in Alexandria. Professions included air-conditioning maintenance, carpentry, auto mechanics, plumbing, electrical installation and tailoring, all of which were accessible for refugees. The existing structure and staff of the ABA's vocational training and employment centre allowed the programme team to institutionalize WBL locally.

In Kenya, PROSPECTS piloted a WBL programme to respond to skills gaps identified in local vegetable and livestock value chains in Garissa County. This was embedded in a wider programme to enhance the production and efficiency of the two value chains. For the WBL component, consultative meetings were held with Farm Field Schools and local TVET institutions to develop a work-integrated learning approach that could be scaled up from county level to national level. To help roll out the approach, a guide for in-company trainers was reviewed and updated by PROSPECTS. This was ultimately used to build the capacities of 25 industrial training officers and further used by the NITA to train 400 additional in-company trainers and master crafts persons nationwide. The entire value-chain development programme was implemented under the Garissa County government, thus ensuring the pilot approach was modelled in a manner that could be adapted at the county level but learned from and replicated elsewhere in the country.

In Ethiopia, the Jigjiga Polytechnic College (JPTC) partnered with PROSPECTS to deliver classroom-based, technical training to refugees and host communities in Kebribeyah. Having identified capacity constraints of TVET instructors in the refugee-hosting area the partners developed and implemented work-based learning for them to help the instructors maintain up-to-date and relevant skills for the occupations they taught. The WBL included a practical work placement for TVET instructors. The ILO joined forces with the Confederation of the Ethiopian Employers' Association (CEEA) and two of its members in the construction and aluminium manufacturing industries to host JPTC trainers. Under this programme, eight JPTC trainers had the opportunity to participate in work placements to gain relevant work experience, upgrade their practical skills and familiarize themselves with the latest industry technology and practices. This demonstrated the utility of having trainers regularly engage in their sector of expertise, so that they can respond to changes brought on by automation and technology, among other variables.

After helping the trainers update their skills through work placements, the programme introduced a practical skills training component for TVET students. This was delivered by the JPTC trainers who had participated in the work placements. The practical and theoretical training lasted for three months, followed by 45 days of work placements at enterprises in Jigjiga. The CEEA facilitated the work-based learning by mobilizing its member enterprises in Jigjiga.

▶ Uganda case study

In Uganda, apprenticeships had been identified as a national tool to address skills deficiencies in the labour market. Consequently, in 2018, the Cabinet approved the Uganda National Apprenticeship Framework (UNAF) and directed the MGLSD to design and implement a National Apprenticeship Scheme. In doing so, national counterparts adopted a vision of WBL that offered hands-on skills development, engaged employers and tailored learning so that it aligned to industry needs. PROSPECTS partnered with the MGLSD to design and pilot apprenticeship schemes with the intention of modelling and replicating pilots on a national level under the UNAF. The MGLSD identified the hospitality sector for the pilot, based on Uganda's growing hospitality and tourism industry and the sector's status as one of the largest employers of young people. Hotels and the service sector were also inclusive of refugees, with several three- and four-star hotels located close to the main refugee-hosting areas.

The MGLSD helped convene key players in the hospitality sector, and coordinate and monitor compliance with UNAF guidelines, the labour law and related employment policies. Hotel owners were represented by the UHOA, whose role was to mobilize employers, recruit apprentices and coordinate workplace training. An important measure was to ensure that the UHTTI and hotels could offer accommodation to apprentices during their training and work placements, particularly refugees coming from the settlements. The UHTTI led on the development and delivery of the training curriculum, and on the assessment and certification of apprentices, in coordination with the Directorate of Industrial Training. DIT administered the government trade tests and issued trade certification. Workplace supervisors in each of the selected hotels were responsible for the apprentices and their learning outcomes. PROSPECTS developed a supervisors' manual and training to help supervisors take up the role.

For the curriculum, four trades were identified in the hotel sector: food production, food and beverages, housekeeping and front-office management. The overall curriculum development process was led by the UHTTI, but all other partners (UHOA, DIT, MGLSD) were involved in the design and approval processes. Key to the curriculum development process was input from the hotel owners, who provided practical insight based on their day-to-day operations and business needs.

Apprentices spent 25 per cent of their time on theoretical training and 75 per cent on on-the-job training. PROSPECTS guided the UHTTI on specific outreach and training approaches that were accessible to refugees, with an emphasis on promoting social cohesion and assessing learning outcomes. PROSPECTS also supported the development and production of teaching materials and aids for TVET instructors and facilitators. These included training for facilitators in the use of the ILO handbook, *Promoting Social Cohesion and Peaceful Coexistence in Fragile Contexts Through TVET*. Trained facilitators included refugees from RYLOs who were supporting the rollout of TVET in the Nakivale settlement.

The process of selecting apprentices was rigorous and time-consuming, but this was necessary to ensure employers and apprentices both experienced positive outcomes. Apprentices had to have a foundational skill set and motivation to pursue a career in the chosen profession. The application process involved several rounds of interviews, conducted by the UHTTI and UHOA, to assess foundational skills and work readiness. Although the young people targeted did not have to have previous work experience in hospitality, they did have to show enthusiasm for pursuing a career in the sector and the capacity to work independently. They were recruited from the Isingiro, Madi-Okolla and Terego districts, including from the two refugee settlements within them (Nakivale and Rhino). During the on-the-job training, apprentices first rotated among four trades to get a holistic appreciation of trades within the hotel industry, before choosing one of them to focus on for the remainder of their work placement. Throughout the course of the apprenticeship, apprentices maintained a logbook of learning, which was checked on a weekly basis by a workplace supervisor. These checks were used to monitor learning and ensure that the hotel was providing sufficient opportunity for the apprentices to work towards their predetermined learning outcomes. At the conclusion of the 12-month programme, the apprentices underwent theoretical and practical examinations administered by the UHTTI and hotel staff.

Of the first cohort of 100 refugee and host community trainees, 94 completed the training and graduated. The pilot helped raise the awareness of employers in the hotel sector of the availability of committed and skilled refugee workers at district level. Previously, many hesitated to employ refugees, believing that their temporary status and the fact that they lived in remote areas made them less reliable as employees. Having onsite housing for participants helped by giving young refugees the opportunity to

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prove themselves as committed and reliable trainees. One hotel reported that a refugee apprentice from a Francophone country had helped forge business with French clients and improve customer relations and ratings. This was only one anecdote but it does illustrate the value of having a diverse workforce and the skill sets refugees can bring to local businesses.

For the apprentices themselves, the programme opened doors to those who faced barriers in translating classroom-based training into a workplace environment. The training administered by the UHTTI had cost and other logistical barriers which otherwise put the training beyond the means of the target group (refugee and host community young people not in employment, education or training). The programme covered enrolment fees at the UHTTI and provided living stipends for the duration of the pilot. These costs could be shared or covered by government bodies and employers in the longer term. The training was found to be highly practical and the nationally certified programme helped apprentices build experience and transferable credentials. The UHTTI found the training model practical and subsequently designed similar courses for the industry. In addition, it initiated work independently to collaborate with more industries on WBL, marking a notable shift away from the more general courses it had provided in the past.

The pilot also attracted attention from other donors, including the World Bank and the European Union, which supported two additional apprenticeship programmes designed by the MGLSD. The UHTTI, through the Ministry of Tourism, also attracted funding from the Ugandan government to run apprenticeship courses based on the PROSPECTS model. The government confirmed a funding line in the national budget to cover the costs of apprenticeships in the hospitality sector in subsequent years. ■

2.2 Narrative and lessons learned

Operational lessons learned

The lessons learned with regard to WBL related to different aspects and stemmed from either the support provided to national processes and frameworks, or the pilot programmes.

Establishing links to national policies, priorities and development plans

The ILO's history of providing technical support and guidance to government counterparts and national institutions positioned PROSPECTS to be able to contribute to the advancement of WBL policies and frameworks that were inclusive of forcibly displaced people. This was backed by the ILO Quality Apprenticeship Recommendation, 2023 (No. 208), putting the organization in a strong position from both a technical and normative perspective. In Uganda, with the adoption of the National Apprenticeship Framework in 2018 and the subsequent government decision to make the MGLSD responsible for piloting a National Apprenticeship Scheme, the ILO was the first port of call. PROSPECTS had the resources to be able to respond to the request and do so in a manner that made apprenticeships accessible to refugees. This was because the programme was already operating in the main refugee-hosting areas and specifically focused on the inclusion of both host communities and refugees. In Kenya, the ILO had been active in providing support under a national RPL framework, driven by national ambitions to upskill the workforce to one that was competent and productive. The programme made the most of existing partnerships with the NITA, the Kenya National Qualifications Authority and the Technical Vocational Education and Training Authority to strengthen the application of work-based learning in the industrial sector. In Iraq, WBL was introduced in the context of a national effort to draft and implement a National Qualifications Framework. National actors, including the MOLSA, were already primed to modernize the TVET sector, and PROSPECTS helped introduce a WBL approach that would deliver market-relevant training in refugee- and IDP-hosting areas, with the participation of local employers.

Having PROSPECTS' work tied to national-level policies and processes helped governments translate ambitions set out in national plans and frameworks into practice. In Uganda, the National Apprenticeship Framework was implemented in practice in the hotel sector through pilots conducted under PROSPECTS. These served as a model for the country as a whole and their positive profile encouraged the mobilization of further resources (see case study on page 31). National stakeholders, such as MGLSD in Uganda and MOLSA in Iraq, were the ones driving requests for technical assistance and guidance, as they recognized the benefit of WBL to national development. On a smaller scale, the MOA in Lebanon saw a clear need for technical support and investment in its technical schools and saw competency-based training and WBL as mechanisms to achieve this. All pilots that were conducted under national frameworks and processes, and in partnership with national institutions, took place in main refugee-hosting areas, to the benefit of both communities. This is in line with PROSPECTS' approach to strengthen national systems as a whole and make them inclusive.

Identifying demand-driven sectors and occupations for WBL

For WBL to support employment outcomes, the sectors and occupations selected must reflect local labour-market demand and opportunities that are accessible to forcibly displaced people, as well as members of the host community. At country level, consultations took place to identify in-demand occupations and the outcomes of these were triangulated with skills maps that helped identify occupations where WBL would be most relevant. Importantly, these processes drew on the insight and experience of employers and industry representatives. In Uganda, the hospitality sector was chosen with the MGLSD in light of the country's growing tourism industry and high level of youth employment. The UHOA and its members helped identify relevant professions and hotels where apprentices could be placed. In Iraq, PROSPECTS supported a needs analysis that identified 18 occupations; these were subsequently narrowed down in consultation with the MOLSA, Chamber of Industry and TVET providers. In Egypt, the programme focused on a geographical area, Alexandria, and worked through the ABA's 350 members to identify trades where apprentices were needed and businesses that could host apprentices.

Communicating the objectives of and managing expectations around WBL

WBL in PROSPECTS largely targeted young people to develop their workplace skills. At the same time, it relied on networks of employers who invested their own time and resources in hosting trainees. Outreach and communication on both sides needed to highlight employment and productivity gains, while also addressing common misconceptions about the work readiness of refugees and the availability of employment opportunities for both communities.

In the geographical areas where piloting took place across PROSPECTS countries, the concept of WBL was, for the most part, new. Apprentice-like arrangements had been deployed on an ad hoc basis to introduce young people to trades, but they weren't standardized or based on learning outcomes. Introducing the idea of WBL and distinguishing it from a job, or more traditional forms of skills training, were important. For employers, communication had to highlight the learning component of work placements, setting these apart from employment.

Programme teams had to address common misperceptions through outreach efforts. For instance, a pilot in Egypt found that young people perceived apprenticeships as a failure to find employment. Sharing experiences and examples from other countries and regions helped legitimize the concept as a practical means to transition into employment. In Iraq, young people were not clear whether the programme was a job or training. Explaining the dual nature of the training, with both theoretical and practical applications, was important, as was explaining that there was no job guarantee at the end of the training. This also had to be explained to partners who supported outreach to young people, including UNHCR and UNICEF.

On the employer side, programme teams had to manage expectations and build capacities to oversee WBL. Programme teams had to present the concept of WBL in a structured manner, so that employers could see a benefit from hosting WBL trainees, understand how WBL differed from regular employment and appreciate the need to establish learning objectives for apprentices. In Iraq, informal apprenticeships

and internships had tended to use apprentices as additional, unpaid staff, without providing clear learning outcomes. The programme team invested in building the capacities of company supervisors to be able to accompany trainees during their work placements. In Uganda, company supervisors underwent training, whereas in Egypt, the programme used staff from the implementing INGO to serve as enterprise supervisors. In both cases, the supervisor role helped ensure apprentices gained practical skills and could engage in a learning process. In Iraq, a life coach was also introduced to help apprentices gain soft skills during work placements. For apprentices coming from other regions and countries, a life skills coach also helped explain workplace customs that might differ, such as working hours, socialization between colleagues and work attire.

Establishing and strengthening a governance structure

To link the upstream (policy-level) and downstream work, programme teams used existing governance structures, or created new ones, to capture the feedback and guidance of industry experts, local employers and workers' representatives. At the national level in Uganda, PROSPECTS established a National Apprenticeship Steering Committee and Sector Steering Committee to oversee progress under the National Apprenticeship Framework and related pilot in the hotel sector. In Iraq, working groups were set up per occupation to oversee the implementation of competency-based training and work-based learning. In both instances, the structures helped the pilots align to broader national and sectoral objectives, while also featuring a feedback loop, so that training could be adjusted in response to subtle changes in the development and application of skills at sectoral level. Such changes included technological developments and shifts in production, among others factors that shape how skills are effectively taught and deployed.

While there is merit in having pilots serve as proof of concept, these need to be introduced and reviewed through a committee, or similar structures that involve government participation. There are risks in having pilots operate outside of such structures. Without a link to national stakeholders, frameworks and standards, lessons learned from the pilot can fail to inform system-strengthening.

2.3 Sustainability

Having WBL integrated in national-level processes is one measure of sustainability after PROSPECTS concludes. Government involvement and ownership was crucial to ensure that WBL is seen as a mechanism to address skills mismatches, productivity and the incorporation of young people, including refugees, into the labour market. It also helped ensure programmes were compliant with regulations and policies, such as those governing refugees' access to vocational training and employment. Where there were national qualifications standards in place for the chosen occupation(s), having representatives from certifying bodies in WBL programmes helped ensure the pilots were fully aligned with these. This ultimately facilitated national recognition and/or certification of the WBL opportunity, as seen in the work with the DIT in Kenya and the UHOA in Uganda. WBL should be designed in a manner that allows graduates to obtain some form of formal recognition upon its conclusion.

Capacity within TVET institutions and certifying bodies is also needed to support the long-term use of WBL as a skills development tool. The efforts programme teams invested in building the capacities of institutions paid off in instances where national counterparts were the ones driving requests for technical assistance and saw WBL as a means to achieve national priorities on upskilling. This was evident in Kenya, Uganda, Ethiopia and Iraq.

As already mentioned, to convince job-seekers to participate in WBL, it was necessary to change their mindset towards embracing it as a mechanism to transition into employment. Pilots started to demonstrate the value of WBL and highlighted employment figures that indicated successful transitions into employment after WBL. For instance, among the first cohort of graduates from the pilot in Uganda's hotel sector, 70 per cent secured employment or went on to pursue entrepreneurship in the sector. Additional communication and outreach efforts were made, making the most of partnerships with trusted organizations and community leaders, including RYLOs, UNHCR and employer organizations.

Financing and the use of government resources are further components in sustaining WBL. In the pilots supported under PROSPECTS, the project funded subsidies and stipends for trainees and, in some instances, incentives for participating enterprises. Because forcibly displaced people seeking employment are unlikely to be able to cover the cost of training and will most likely require support to cover related costs, such as transport and equipment, the cost per trainee is high. While in Uganda, a budget line was reserved for future apprenticeship programmes under the Ministry of Tourism, such programmes are unlikely to be fully covered by government resources and would require a cost-sharing arrangement with private sector employers, particularly to cover items like daily stipends and living allowances. This is critical if opportunities are to be provided to financially disadvantaged groups. Embedding training in larger training institutions can also help provide scholarships and redistribute costs between other courses where students are able to pay their own way.

2.4 Integration with other areas of work

WBL naturally links to social dialogue processes. In developing a WBL programme, the selection of occupations, development of the curriculum and identification of workplaces to host trainees require insight and input from both employers and workers. In developing and applying a national framework and scheme, ILO Recommendation No. 208 provides an opportunity to bring tripartite constituents around the same table to discuss quality standards, rights of and protections for apprentices. In the case of PROSPECTS, one shortfall is the lack of refugee representatives in workers' and employers' organizations. In some instances, such as Uganda, RYLOs were included in piloting as training facilitators, providing a measure of representation.

The supply of WBL opportunities also depended on the health of local enterprises near refugee-hosting areas. The majority of businesses in these areas were micro and small, with many operating informally. By supporting productivity gains at the enterprise level, local businesses are better placed to offer WBL opportunities. Different enterprises may have specific business development needs to which PROSPECTS can respond. For instance, among the hotels that participated in the apprenticeship programme in Uganda, several needed equipment to support production processes that would host apprentices. Providing this was a small incentive that added value for both the hotel and the apprentices.

WBL is part of TVET, so its operations should align to national recognition and certification systems. WBL may be followed by RPL or skills recognition, as this makes job-seekers' existing knowledge and skills more visible to employers.[25] If people have skills profiles or certifications, it will also be easier to refer them into WBL and to screen candidates. In Uganda, a lack of candidates with nationally recognized certification and skills profiles necessitated several rounds of interviews in the apprentice selection process.

Since WBL, and in particular apprenticeships, attract young people who lack experience in work environments, country programmes found it useful to incorporate soft-skills training. Soft skills include communication, teamwork and time management, among others. For trainees from different regions and countries, there may also need to be awareness-raising on work customs. As mentioned, the WBL pilot in Iraq featured a dedicated life-skills coach. Soft-skills training is also a natural link to UNICEF programming, as seen in both Uganda and Iraq.

As noted in Chapter 1 on skills profiling, qualifications recognition and recognition of prior learning, there are also natural links between skills training and employment services. ILO Recommendation No. 208 stipulates that Members should provide "access to vocational guidance and career counselling, and other support services … before, during and after the apprenticeship". Employment service providers can be an important contact point for WBL candidates. Not only can they help advertise and make referrals into WBL programmes, they can also conduct skills profiling that helps screen candidates. This includes public

25 ILO, "Strengthening Apprenticeships for Transitions to Formality", ILO Policy Brief, February 2024.

employment services, as well as career guidance offices in schools, universities and vocational training centres. In Uganda, mobile employment services helped map and profile the skills of refugees and host community members living in rural areas, which facilitated their application for apprenticeships.

The practical application of skills can also be linked to employment-intensive investment programmes (EIIP). In Iraq, an EIIP that rehabilitated TVET and youth centres provided an opportunity for practical application of skills in solar-panel and air-conditioning installation and maintenance, painting and gardening. Even though using WBL trainees meant it took more time and cost more to complete the work than using EIIP workers from the general population, this approach provided the trainees with practical opportunities and work experience. Similarly, in Ethiopia, a two-month theoretical training course on cobblestone installation concluded with the students helping to install cobblestones in the pathways leading to a TVET satellite centre that the programme had installed with the JPTC.

The experience in Kenya also demonstrated how WBL served as a component in value-chain development. By enhancing the productivity of workers and promoting the uptake of technology and new production practices, WBL served as an efficient tool to help trainees transition to the opportunities that value-chain development would create, such as cobblestone production and maintenance.

Having different pathways for trainees to apply their skills can also be useful. For instance, in Uganda, a small number of apprentices chose to pursue their own businesses after completing their work placements. This was also true of a subset of apprentices in Egypt. The apprenticeship allowed them to gain sector-specific skills and exposure to the industry, but after the apprenticeship period, they felt that entrepreneurship better suited their interests and talents. Having links to business development services – whether through referral to the ILO's own programming or to that of PROSPECTS partners, INGOs or national institutions – can help individuals progress along career paths that align with their interests.

2.5 Challenges

A key challenge of WBL is its cost. Employers are typically expected to compensate the apprentices or provide stipends to interns and trainees, in accordance with ILO Recommendation No. 208. Formal apprenticeships renumerate or financially compensate apprentices, reflecting the skills acquired and the value added to the hosting business. Registration and related fees at training institutions where there is a practical component to the training also need to be covered. In Uganda, PROSPECTS paid the fees to the UHTTI, arranged transport for the trainees and provided them with stipends. The UHTTI, as a training institution, relies on the fees paid by students and while it is possible to take on some apprentices at a reduced fee, it is not possible to do so for all students. The budget line reserved under the Ministry of Tourism will partly help respond to these costs once PROSPECTS ends. The programme in Egypt and Iraq also covered training costs, where trainees did not pay a registration or course fee to the MOLSA or the ABA, respectively. The programme also supported costs related to transport and daily stipends. Supplementing these project funds with national resources is critical for long-term sustainability.

As already noted, the majority of businesses in PROSPECTS' target locations are micro, small and informal. While these businesses might not be able to host a formal apprenticeship programme, they can offer opportunities for work-based learning that align with quality apprenticeships.

An additional challenge linked to renumeration is avoiding the use of trainees to replace workers on less or no pay. Because trainees will generally be remunerated or receive a stipend at a rate that is less than the wage of a full-time worker, and because these costs are covered by PROSPECTS, there is a risk of firms using trainees as free labour. Identifying and screening enterprises is therefore a critical step, which can be facilitated through employer organizations. The practical component of WBL should have specific learning outcomes that align to the theoretical training received. These learning outcomes can be monitored carefully by such measures as having trainees maintain daily training logs, as was the practice in Uganda, or having routine company visits or in-company trainers.

Key takeaways

- Tying PROSPECTS work on WBL to government policies and processes helped translate ambitions set out in national plans and frameworks into practice.
- WBL pilots took different forms, such as informal and formal apprenticeships and internships, and ranged in duration from ten weeks to one year, thus offering a flexible format for bridging education and employment.
- For WBL to support employment outcomes, the selection of sectors and occupations has to reflect local labour-market demand and opportunities that are accessible to forcibly displaced people, as well as members of the host community.
- Communication and outreach efforts need to engage refugee youth-led organizations, local chapters of INGOs, employer organizations and UNHCR, as a means to ensure refugees have access to information about WBL opportunities and understand their objectives.
- Sharing experiences and examples from other countries and regions can help legitimize the concept of WBL as a practical means to transition into employment. This is particularly relevant in contexts where WBL is new.
- The supply of WBL opportunities reflects the health of local enterprises. More productive enterprises operating at scale introduce greater opportunities.
- There is a risk that informal apprenticeships and internships may be used by firms to get additional, unpaid staff, without offering clear learning outcomes. At the same time, informality is a reality in PROSPECTS' target areas, with informal apprenticeships providing a learning opportunity that the programme can work with and thus align to ILO Recommendation No. 208.
- In outreach, explaining what constitutes a quality apprenticeship and clearly distinguishing it from a job, or more traditional forms of skills training, is key. Employers proved to be an ally in advocacy for quality apprenticeships.
- The rollout of WBL necessitates training of workplace supervisors and in-company trainers who can oversee day-to-day work, and ensure both refugee and host community trainees progress towards achieving learning objectives.
- The choice of partners to carry out WBL can extend beyond national TVET providers and responsible line ministries to include local partners that help develop and apply models in a manner that is fit for purpose at the local level.
- The costs of WBL may hinder the sustainable uptake of models by national providers. These include costs that projects absorb, like stipends and travel expenses, which might not be feasible for national providers to cover independently.
- Measuring and documenting the impacts of WBL on businesses, in terms of sales, hiring, or other efficiencies, can help develop a case for businesses to host trainees and apprentices.



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3

Job Search Clubs

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PROSPECTS countries have sizeable youth populations that are reaching working age and in search of jobs in constrained labour markets. These markets are characterized by high rates of informality and a lack of decent jobs that correspond to the skills, competencies and interests of young people. Intersecting factors, such as weak economies and education systems, mean learners do not have the skills required in the labour market. As a result, youth unemployment is high and there are vast numbers of young people not in employment, education, or training (NEET). In the Middle East and North Africa region, the latest NEET rate was measured at 31.5 per cent;[26] across Africa as a whole it was 21.9 per cent.[27] PROSPECTS countries are also host to large displaced populations, the majority of whom are under the age of 30 and, in many instances, trying to access the labour market alongside members of the host community. Youth employment is a priority in national development plans and youth strategies in all eight PROSPECTS countries, including Egypt and Jordan (National Youth Strategies) and Kenya (National Development Youth Policy, National Career Guidance Framework and Young Peoples' Agenda of Kenya).

Job Search Club (JSC) is a methodology developed by the ILO to support young people who face difficulties in their job-search process. It acknowledges that all young people have sets of skills and agency in their own job search but may lack experience in translating experience into employment opportunities. The concept is based on a behavioural model of job search and placement pioneered by a Canadian behavioural psychologist and that was first adapted to ILO programmes in 2014 in Egypt.[28] An EMIPF (explain, model, imitate, practice and feedback) structure reinforces each skill and technique that is introduced in the clubs (JSCs). Various ILO offices around the world have refined and adapted the "learning by doing" model, helping institutionalize the model targeting unemployed young people, in collaboration with Ministries of Youth, Public Employment Services, TVET providers, NGOs and universities. In the context of PROSPECTS, country teams saw an opportunity to apply the methodology and address the issue of unemployment for both refugee and host community youth.

26 ILO, *Global Employment Trends for Youth 2024: Middle East and North Africa*, 2024.

27 ILO, *Global Employment Trends for Youth 2022: Africa*, 2022.

28 The methodology was introduced in collaboration with the Egyptian Ministry of Youth and Sports, NGOs and CAPSCU, the training centre at the Cairo University Faculty of Engineering, and supported by several ILO development cooperation projects: Decent Jobs for Egypt's Young People, funded by Global Affairs Canada; Creating a Conducive Environment for the Promotion of Fundamental Principles and Rights at Work, funded by the United States Department of State; Transition To Employment: Career Guidance for Youth and Job Creation, funded by the Egyptian-Italian Debt Swap programme; and Decent Jobs for Egypt's Young People in Menofeya and Qalyubeya, funded by DANIDA.

The core of the JSC is a two-to-three-week intensive activity for groups of 16 young people, assisted by two trained facilitators. This group phase is not designed as training but as a space where each club member is supported through activation measures, peer-to-peer support and other behavioural methodologies to acquire a range of hard and soft job-search skills. These include identifying job opportunities, completing a CV or writing a good application letter, practising good interview skills and dealing with potentially stressful work situations. Following the group phase, the clubs continue to act as a space for peer-to-peer support and coaching. Facilitators play a key role in maintaining momentum behind the clubs through regular points of contact and exchange, whether through in person meet-ups, WhatsApp exchanges, or other ways of connecting that are suited to the local context. The clubs continue to provide a support network of young people in similar situations, where successes can be shared alongside challenges, in a spirit of mutual learning.

Depending on the country context, JSCs have been implemented as an extension of employment services, as part of youth engagement initiatives and as post-training support to help young people transition into employment. General criteria for selecting participants included having difficulties in the labour market – for instance, experiencing several months of unemployment despite actively seeking full-time work; a commitment to dedicating five to six hours a day to the job-search process over a two-week period; and willingness to participate in structured, group activities. PROSPECTS' experiences with JSC are discussed in greater detail below, including where different contexts necessitated different approaches and where lessons can be learned for future programming in contexts of forced displacement.

3.1 Description and key approaches

There are two main learning objectives of JSC: ensuring young people understand that the job-search process requires dedication and time, and helping them become independent in their job search. JSC was first adapted by PROSPECTS in Egypt in 2022 to help young refugees and host community members in their job-search processes. This was done in partnership with Egypt's Ministry of Youth and Sports (MOYS). The methodology was then adopted in Jordan, where it was aligned to objectives in the National Youth Strategy and helped build a partnership with the Ministry of Youth. In Kenya, it was introduced in the context of the National Career Guidance Framework and rolled out in the career service offices of TVET institutions and institutions of higher education. Similarly, in Iraq, it was implemented in partnership with the Ministry of Youth and Sport and introduced in the career development centres of universities and TVET institutions. In Uganda, it was incorporated within rural employment services, which had been extended to refugee-hosting areas under PROSPECTS.

Country teams built up networks of JSC facilitators in the districts and localities where the clubs were rolled out. This included training staff of Ministries of Youth, other relevant national institutions and implementing partners as facilitators.[29] These were then responsible for convening the clubs, coaching and maintaining group cohesion after the club period. The heavy time commitment made it necessary to train and contract implementing partners who could dedicate all their working time to JSC implementation, alongside civil servants, who could play a supervisory and supporting role. The commitment of facilitators greatly influenced the clubs' success, in terms of cohesion of the group members and their ability to find jobs.

29 Implementing partners are selected through a competitive process to carry out specific tasks and deliverables according to an agreed timeline. Implementing partners refer to legally recognized non-profit organizations, including non-governmental organizations, foundations, research institutes, education institutions, intergovernmental organizations, or similar. For the ILO, implementing partners can also be a constituent of the ILO, or an affiliated member of a constituent's workers', employers', or government organizations.

Egypt had a strong network of MOYS facilitators who had been previously certified under other ILO projects, as well as a master trainer[30] located in the country. Other PROSPECTS teams used the Egypt-based master trainer to start building a facilitator network in their countries of operation. Training of trainers commenced with facilitator training for Ministry representatives and/or implementing partners, but as the clubs were piloted and scaled up, the team in Jordan also started to train JSC alumni as facilitators. These included refugee facilitators who were able to provide first-hand experience of the job-search process.

1. Helping young people transition into employment

In Jordan, Kenya and Egypt, JSCs were first piloted as standalone interventions, without being intentionally linked to other areas of employment support, such as skills training. While JSCs can be part of Active Labour Market Programmes,[31] the first PROSPECTS pilots focused on testing the methodology where there were high rates of youth unemployment. They were not designed in response to identified skills gaps or challenges in accessing specific sectors of work, as happened later in Kenya (see next subsection).

JSCs primarily served as a programme tool to support young people in their transition to employment in the labour market. The peer-to-peer format was particularly well suited to PROSPECTS, as it brought young people from refugee and host community backgrounds together to work through challenges and offer mutual support in the process. Working collectively to overcome common challenges also served to strengthen social cohesion between groups.

In Egypt and Jordan, the first JSC pilot phase was carried out in government youth centres. In subsequent phases, Jordan applied the methodology in two main universities attended by students from both the refugee and host communities. JSCs usually target new graduates who have tried to find jobs without success and are in a position to dedicate all their time to an intensive job-search process. In Kenya, JSCs were incorporated into Offices of Career Services in TVET centres and institutions of higher education. In Iraq, they were introduced in career guidance offices in universities and TVET centres in Dohuk and Nineveh. The methodology was eminently suitable to be applied in these academic and training contexts and among students who were about to enter a challenging labour market.

The methodology was also rolled out in youth and community centres in more rural areas. In Uganda, it was introduced as a component of rural employment services, taking advantage of newly constructed job centres and mobile employment services in the Isingiro district. In Jordan, the JSC pilot phase included two clubs within refugee camps. The rationale for empowering young people and helping them translate their knowledge into livelihoods was equally applicable in refugee camps and settlements in rural areas, but livelihoods pathways here were more constrained, owing to movement restrictions and closed camp economies. Links to self-employment, business development and volunteerism were relevant for these cohorts, although the methodology traditionally focuses on waged employment, creating a potential misalignment between it and the economic reality of camp-based participants. The clubs were able to provide young people with an increased sense of agency over their livelihoods and life prospects, but immediate outcomes in terms of jobs were uneven. A quarter of participants in Jordan found jobs after the clubs, while in Uganda, 57 per cent of JSC participants found employment immediately after the clubs.

30 Master trainers are selected by the ILO and able to train and accredit facilitators of Job Search Clubs. As JSC is a relatively new methodology, the network of master trainers is small and the criteria for Master Trainers are not as stringent, for instance number of training hours, as in more established training programmes, such as Start and Improve Your Business (SIYB).

31 Active labour market policies comprise employment intermediation services, labour market training, entrepreneurship and self-employment, employment subsidies and public employment programmes.

2. Bridge between skills training and employment

Later application of the methodology saw JSC incorporated into skills development, in an effort to help trainees transition into the labour market. In Egypt, JSC graduates had the opportunity to participate in skills training that aligned with their career interests. In consultation with the Ministry of Communications and Information Technology, and digital labour platforms, the project team in Egypt developed a skills training programme for refugee and Egyptian youth, focusing on skills in web-based, cloud-computing services. JSC graduates were targeted as participants for the digital skills training. This was particularly advantageous for young refugees, as it gave them skills to access a wider selection of jobs that were web-based and thus not covered by sector-specific restrictions that applied to non-national workers in Egypt.

In Kenya, PROSPECTS used JSC as a form of post-training support. A digital skills training programme was rolled out and JSCs were organized to address graduates who had reported difficulty transitioning into relevant digital jobs. The JSC methodology was tailored to the job-search process in digital sectors and included modules on looking for work on online employment platforms, and awareness of risks and opportunities associated with digital work. This tailored form of support provided by the JSC saw higher rates of employment among its participants (67 per cent), compared with programmes that used JSC as a starting point for youth engagement (25 per cent in Egypt and 26 per cent in Jordan).

In Jordan, the second application of JSC targeted green jobs. Green Jobs Search Clubs helped participants look for jobs in green sectors, which also showed potential for growth. Green sectors and occupations are aligned to the Ministry of Labour's National Employment Plan, the aim of which is for 10 per cent of all jobs in Jordan to be green jobs by 2030. The Green Jobs Search Clubs were applied in two universities attended by refugee and host community students. Hence, the methodology was introduced in a setting where students already had initial career interests and a foundation of relevant skills.

3. Integrated programming on youth engagement

Following on from the iterations of JSC in Egypt, Jordan and Kenya, other countries adapted the methodology to support broader programme objectives on youth engagement. In these instances, other PROSPECTS activities had already been put in place and partnerships established to support youth engagement. In Iraq, JSCs were piloted in partnership with the MOYS youth directorates, TVET providers and career development centres within universities.[32] PROSPECTS had already supported these entities to implement career guidance, work-based learning and enterprise development training for young people. Staff within these institutions were already trained as trainers and familiar with ILO methodologies, such as SIYB. In some cases, SIYB trainers became JSC facilitators, providing a natural link between PROSPECTS activities. While the application of the methodology in Iraq was at an early stage at the time of writing this report, JSCs have been introduced into a landscape with well-established programming and partnerships on youth engagement.

In Uganda, JSCs were introduced within programming already under way on rural employment services. They were piloted in Isingiro district and built on an existing implementation agreement with an international organization that had extended employment services to rural areas under separate donor-funded projects. The follow-up for JSC participants included referrals to other ILO-supported services, such as TVET, digital skills training, apprenticeships and employability skills, all of which were active in serving young people in the Isingiro district.

While embedding the JSC methodology into well-established programmes for young people can support additional employment-related skills training that will improve future job prospects, the outcomes of the clubs may not reflect employment, but instead their participation in other project activities, such as cash for work. For this reason, the number of young people in jobs immediately following the clubs should distinguish between the types of employment or volunteer work, for instance fixed-term and waged employment, short-term cash for work, apprenticeships etc.

32 These included the University of Dohuk and University of Mosul.

▶ Engaging the interest of refugee and host community youth in Job Search Clubs in Jordan

In 2019, the Jordanian Ministry of Youth (MOY) launched its National Youth Strategy, which called for a focus on increasing the availability and reach of services to young people through MOY centres. Following the COVID-19 pandemic, youth unemployment, that is, among those aged 15 to 24, exceeded 46 per cent; as of 2023, it remained at just over 41 per cent. This drew national attention to the situation of young people and confirmed the need for more concerted support. The MOY National Youth Strategy highlighted links to Jordan's Vision 2025, a detailed socio-economic plan put forward by the King, entitled "Developing career guidance, employment services and changing business culture". With these policy elements in place and against a backdrop of high youth unemployment, the PROSPECTS Jordan team adapted the JSC model from the programme in Egypt and applied it in partnership with UNICEF, using the MOY youth centres as spaces in which to convene the clubs.

Adaptation of the tool began in consultation with the PROSPECTS team in Egypt, along with the JSC master trainer in that country. The MOY in Jordan approved adaptations and provided feedback in the process. The version adapted for Jordan took into consideration labour market governance, particularly policies governing refugees' access to specific trades and occupations. This included work-permit processes, sectors that were "closed" to foreigners and regulations to register a business. Because Egypt and Jordan shared the same language, similar cultural contexts and groups of refugees, the adaptations were relatively easy to make.

Taking the example of Egypt, the PROSPECTS Jordan team established a partnership with the MOY. It did so jointly with UNICEF, whose mandate lent itself to the activity. It established a UN-to-UN Agreement with UNICEF for the JSCs, with UNICEF transferring funds to the ILO to apply and implement the methodology. Under this collaboration, UNICEF used its partnership with the MOY to secure youth centres as spaces in which to convene the clubs. It also conducted outreach activities related to the JSC among youth groups and youth-led organizations. The ILO was responsible for adaptation, application and follow-up. Both organizations appointed country-based staff as focal points to ensure coordination and oversee day-to-day operations.

The JSC started with training for facilitators, led by the master trainer from Egypt and including staff from UNICEF, the ILO, MOY and the partner selected to implement the clubs, the Business Development Centre. The week-long training covered the role of facilitators and skills for successful facilitation, supporting job-search functions and providing job-seekers with information on job vacancies and skills requirements. Given that the clubs would bring together both refugees and members of the host community, attention was given to addressing social cohesion between these groups.

In the pilot phase, 20 clubs were set up across the three largest refugee-hosting governorates. These included clubs inside the Zaatari and Azraq refugee camps. Each started with ten days of training, providing skills to build the employability profile of participants, followed by coaching and peer-to-peer support.

The pilot served as proof of concept, which enabled the MOY to pilot it and scale it up. By engaging the MOY directly in the adaptation and facilitator training, the Ministry's ownership of the methodology was reinforced. The Ministry subsequently endorsed JSC as a method to deliver the aims of the National Youth Strategy. JSCs responded to real needs, namely very high youth unemployment among both host and refugee communities in the country.



After the pilot, the JSC methodology was further adapted to focus on "green" jobs.[a] This was partly influenced by the Ministry of Labour's National Employment Plan 2023, the aim of which is for 10 per cent of all jobs in the Kingdom to be green by 2030. An accompanying green jobs assessment also demonstrated the current and anticipated potential for green jobs in Jordan's agriculture, energy, manufacturing, tourism, transport, waste management and water sectors. The format of the clubs remained similar to those convened in the pilot phase but introduced the concept of green jobs and how these contribute to environmental preservation and restoration. In two cases, green JSCs were convened in universities, which provided a pool of qualified refugee and Jordanian youth in the process of pursuing green professions. In addition, a jobs fair was organized with private sector employers in green sectors and enterprises.

The evolution of JSC in Jordan illustrates a model that is linked to national policies and processes, while also considering genuine labour market challenges faced by young people. The methodology was relevant and beneficial to both refugees and host community members, with both groups reporting similar levels of employment directly after their participation in the clubs. ■

a Green jobs refer to jobs that contribute to or restore the natural environment – see ILO, *Green Jobs, Green Economy, Just Transition and Related Concepts*, 2015.

3.2 Narrative and lessons learned

Operational lessons learned

The lessons learned from JSC implementation are presented below and relate to targeting, implementing partners, adapting the JSC methodology to specific contexts and insight from new iterations of JSCs.

Targeting young people in need of job-search support

As mentioned in the country examples, JSC targets a younger cohort of individuals (aged 16–25) who have difficulty navigating the job-search process. It is a fairly resource-intensive method, as it provides coaching in a small-group setting and follows the small cohort in the months after the training is completed (the recommended number of participants per club is 16 and the recommended duration of follow-up support is three months). The clubs are kept small in order to foster the development of a close rapport between participants and so that coaches can provide individual support. Given the time and resource intensity of the methodology, careful targeting is key to obtain desirable outcomes, that is, that the young people involved find employment.

Having young people with the same or similar skill sets makes it easier to foster peer-to-peer support. This helps in exchanging relevant experiences, tips and insight about potential employers and (sub)sectors. This was the case in Kenya, where JSCs were introduced as a form of post-training support. This resulted in better employment outcomes measured three months after the clubs concluded (67 per cent employed, compared with 25 per cent in Egypt and 26 per cent in Jordan). It also targeted a specific sector where young people had been trained (digital), meaning the guidance and support to find a job could be more tailored. If the objective is to have young people successfully navigate the job-search process and find jobs independently, then targeting the graduates of skill trainings can be effective in leading to employment.

While the JSC methodology is not designed for specific sectors, the examples from Kenya and Jordan show that a sector-based approach can deliver tailored support. For instance, in Kenya, JSC participants learned to target their CVs towards jobs in web design and development. At the time of writing, Kenya and Egypt had adapted the JSC methodology for digital sectors, while Jordan had adapted it for "green" jobs. A sector-based approach will also bring together young people with similar skill sets, thus enabling exchange of relevant tips and insight, as noted previously.

If a sector-based approach is used, it is important to verify that jobs in formal employment are also open to refugees. In some countries, certain occupations are closed to non-national workers. Aligning sectors to labour market governance also avoids raising young refugees' expectations regarding careers that they are not legally able to pursue. While it is up to the JSC participants themselves to navigate the job-search process on their own using the skills they have gained through the clubs, having up-to-date information on laws and policies is important for a well-informed job-search process.

Age is another important point for consideration. The JSC manual sets the target age range as 16–25. However, refugees have likely had their education and livelihoods interrupted and delayed owing to displacement. In Egypt, for instance, JSCs targeted an older age range (18–34). It can also be the case that adults re-train for new professions and occupations but then lack experience in looking for jobs in those fields. Furthermore, in Egypt, a training course on coding attracted slightly older participants who were still interested in the JSC methodology. Because the methodology is designed for individuals who have encountered challenges looking for jobs, the methodology is nevertheless relevant for older adults.

Geographical targeting is another consideration, as illustrated by the different country experiences with JSC. PROSPECTS targets areas that host refugees, which can have different characteristics both within and between countries – for instance, rural versus urban, and in- and out-of-camp settings. JSC outcomes are generally better when the clubs are held in areas with more economic opportunities. In Jordan, for example, JSCs were convened outside and inside camps. Within camps, there are limited employment opportunities and while those that do exist are an important source of income and purpose, they generally consist of paid and unpaid volunteer work with INGOs.

Using the JSC methodology within AIMS (Approach to Inclusive Market Systems) or business development services interventions may be another way to apply job-search modules in more rural or camp settings, where self-employment and employment in MSMEs are more common. The methodology focuses on waged employment, but considering how young people can be directed to business development support is important. As young people explore their own interests and capacities, they may find they are more drawn to self-employment than waged employment, in which case having a pathway to SIYB or other types of business development training is good practice. This can also provide more opportunities for young people as employees of MSMEs.

Choosing partners to implement JSCs

National partners, whether from government or public institutions, were trained in the JSC methodology. This involved a three-to-five-day training programme for staff nominated by their institution, led by a master trainer. This was followed by practical application of the theory, overseen by the master trainer and ILO staff. Across all countries where JSCs were implemented, they were aligned to existing national strategies and/or initiatives on youth. It was important, therefore, to have partners from national institutions who were either responsible for such strategies, or had a clear role in their implementation. In some cases, this was the Ministry of Youth, while in others, partners came from the youth employment side. This was the case in Kenya, where JSCs were referenced in the National Career Guidance Framework and implemented in partnership with the State Department of Labour and Skills Development.

Sensitivities regarding employment for non-national workers also varies from country to country and influenced what partnerships were pursued. National stakeholders, such as Ministry of Labour career counsellors, whose mandates were restricted to serving only national workers were not an effective partner for JSC. This was sometimes the case with Public Employment Services and Ministries of Labour. As illustrated by the experiences in Jordan and Egypt, partnering with Ministries of Youth allowed PROSPECTS to work with national and refugee youth. In Iraq, where the refugee population is relatively small compared with the number of IDPs and returnees, JSCs were organized in partnership with the MOYS, as well as Ministry of Labour and Social Affairs labour directorates in Nineveh and Dohuk.

Education and training institutions also proved to be useful partners, particularly given their close connection to large groups of young people with foundational skills sets. In Iraq, Kenya and Jordan, the career guidance offices of training institutions and universities were used for outreach and organization. In all instances, these institutions both accepted and accredited refugee students, which is an additional consideration for programming in forced displacement contexts.

In addition to partnering with national institutions as a measure to support ownership and sustainability, PROSPECTS teams needed support from an implementing partner to oversee the day-to-day operations of JSCs. Civil servants had competing priorities and time constraints, whereas implementing partners were brought onboard and were able to dedicate their full time to JSC implementation. In Jordan, the Business Development Centre was engaged as an implementing partner to support JSC rollout. It was responsible for outreach, organization and running the clubs, while the MOY oversaw the process and provided access to its centres in which to convene the clubs. One of the Business Development Centre's tasks was to create a plan to institutionalize JSC within the MOY, involving a capacity assessment and mapping of resources that would be required to take up the methodology. Implementing partners were used in all PROSPECTS countries, most of them international organizations and with backgrounds in career guidance and skills development.

Logistical considerations for launching JSCs

Country contexts dictated where and how the clubs were set up. For instance, JSC requires internet access for the modules on online job portals. In Uganda, limited smartphone ownership and limited or intermittent mobile network coverage in rural areas meant the JSCs needed to be organized in a space where participants could access the internet, tablets and/or computers. In contrast, in Jordan, internet and wireless infrastructure was more readily available to individuals, owing to good 4G/5G coverage and high smartphone ownership among both refugees and host community members. Venues were therefore less dependent on Wi-Fi and computers, as participants could generally use their own devices.

Another logistical consideration was choosing training times based on distance and ease of transport. In Uganda, it became evident that longer training sessions (more hours per day) would be more convenient for trainees, as it would reduce their travel time to the training venues and the associated transport costs. On the other hand, in Jordan, trainees wanted shorter sessions so that they could fit the training around their other daily commitments. This was particularly the case for female participants, who cited competing family obligations. The target age range (16–25) can also mean that there are potential conflicts with school and/or training times.

3.3 Sustainability

To make interventions more sustainable, they were anchored in national policy frameworks and institutions, so that governments would take ownership. In Jordan, JSC was endorsed by the Ministry of Youth as a methodology to realize the objectives of the National Youth Strategy. In Kenya, it was included in the National Career Guidance Framework.

In relation to building capacity, successful rollout at scale requires the development of networks of nationally based JSC facilitators. The small pool of master facilitators was one factor that limited scalability across PROSPECTS countries. As the methodology expands, more training of master trainers will need to be delivered. The format of this could be similar to certification of SIYB trainers and master trainers. A well-established network would be able to respond to requests for implementation, independent of the ILO.

3.4 Integration with other areas of work

It has become clear over the course of PROSPECTS phase I that employment and livelihood outcomes can be strengthened if members of the target group are able to access a multiplicity of services. JSC was originally launched under PROSPECTS without being intentionally linked to other programme areas but, over time and with experience, it was (re)introduced in different country programmes as part of an integrated package of employment support.

As demonstrated in Uganda and Kenya, JSC has been combined with activities on career guidance and employment services. JSCs are now a means through which employment services can build young people's capacity and confidence to search for jobs. In Uganda, the methodology was introduced into job centres established in rural refugee-hosting areas with the support of the ILO. The centres already had trained staff and cohorts of young people visiting them. Therefore, it was a straightforward process to provide additional training on the JSC methodology to these staff members and to facilitate outreach to interested young people.



Links to skills provision differed. In Kenya, JSCs were introduced to support skilled graduates who had trouble entering the labour market. In other words, they were not planned from the outset of the students' training but were introduced as a form of post-training support, in response to graduates' reports of difficulties finding work. This also highlights one important aspect of the methodology: regular follow-up after the clubs conclude. This helps measure employment outcomes and collect information on challenges encountered. This feedback mechanism allowed the programme to introduce the clubs as a response mechanism. In Egypt, JSC participants were directed to skills training to improve their chances of finding work in the digital sector. Referrals to other areas of programming like this can be useful if JSC participants recognize the gaps in their skills that make them less competitive in the job-search process.

PROSPECTS Iraq introduced JSC after it had already rolled out SIYB and work-based learning with the Ministry of Youth and the Ministry of Labour and Social Affairs. The fact that SIYB and work-based learning opportunities were set up by PROSPECTS meant that JSC participants could be referred into these trainings. The link with SIYB was particularly useful, because of the limited formal-sector job opportunities in the areas where PROSPECTS operates. In many cases, entrepreneurship serves as one of the few viable livelihood pathways for young refugees and host community members.

There were other areas of programming outside of employment and skills development that were connected with the JSC methodology. The JSC manual includes modules on labour rights and social protection. Links to Work Wise Youth: A guide to youth rights at work can also be taken advantage of for future adaptations of JSC modules in new countries and regions.

There is also potential for greater integration within the humanitarian, development and peace nexus and the work of other partners. The situation of young people is a key priority for governments and donors. The JSC methodology can be applied in other joint programmes and adapted by partners to establish collaboration. For example, the private sector mandate of the International Finance Corporation could be valuable in this context, in terms of forging links between JSC participants and larger private sector employers in PROSPECTS countries. UNHCR's refugee networks can also continue to be used for JSC outreach in refugee communities. UNICEF can continue to serve as a key partner, but there may also be potential for joint working and integration beyond referrals and the use of its youth networks. The PROSPECTS teams in Iraq and Lebanon had started to work on programming to engage young people, which complemented UNICEF's Generation of Innovation Leaders (GIL).

3.5 Challenges

A key challenge for JSC and its continued application is the cost. JSC is a resource-intense methodology, given that it requires two facilitators to guide a small cohort for two weeks – plus the associated costs of venue hire, transport and materials. It might be more viable in the long term, therefore, if work on JSC were undertaken jointly between academics, government officials and private sector actors. To date, piloting of JSCs has been financed by PROSPECTS, but in subsequent phases, national resources need to be allocated if the methodology is to be implemented sustainably. Documenting the job placements of graduates and their employment trajectories after participation can help make a case for investing national resources in JSCs.

A second challenge relates to the institutionalization of JSC. The clubs can help operationalize strategies and national priorities, particularly around youth engagement, but it may be difficult to institutionalize the methodology in government agencies and services that are understaffed and underfunded. Potential solutions to this include establishing networks of facilitators to support JSC in partnership with national counterparts and as part of a national strategy for youth employment. As already mentioned, a larger network of country-based master trainers will need to be established to accompany the process of institutionalization.

A third challenge relates to the context in which JSCs are initiated and managing the expectations of young people. Many of the economies in which the JSCs have been applied under the PROSPECTS programme are weak and do not offer sufficient formal sector jobs. Their labour market information systems are also weak, creating a challenge in providing market-relevant guidance to participants. In contexts where forcibly displaced people are confined to camps or are afforded limited employment options, consideration needs to be given to whether there are actually jobs and opportunities accessible to them. Without these opportunities, JSC inevitably results in limited outcomes and unmet expectations, particularly for refugee youth. The methodology can help young people navigate challenging labour markets and build confidence in their own capacities.

Another challenge is the time required to influence behaviour change. JSC is premised on encouraging young people to be active agents in their own career development. Such an approach may take time to have an effect, particularly if young people have grown up in systems that – intentionally or unintentionally – have taught them to be passive. While initial outcomes vary depending on how the JSCs were rolled out, outcomes might be better in the medium and long term if the proactive behavioural change is given time to mature. Having the methodology embedded in career guidance offices of universities and training institutions can also support longer-term behavioural change, as the services keep up with the students and trainees over the years.

With regard to the nexus partnership, thus far, the ILO has been the lead agency in implementing the JSC methodology. Other partners have provided access to networks (refugee and youth) and space (UNHCR community centres, UNICEF-supported youth centres).

Key takeaways



- JSC is a unique methodology to empower disadvantaged job-seekers in becoming independent in their job search, drawing on activation, positive reinforcement and group support. This proactive approach is particularly relevant for young refugees, who may face additional restrictions on the sectors and types of jobs they can access.
- JSC brings forcibly displaced and host community participants together around a common challenge and reinforces social cohesion when approached through a conflict-sensitive lens.
- JSC is highly adaptable and open to sector-specific applications. This is evident from adaptations for the digital economy and the green economy, whereby young people were provided with tailored guidance on how to search and apply for jobs in the related sectors.
- JSC is best incorporated into employment support and/or employability services. It is important to have trained personnel who are able to inform and refer job-seekers to the most appropriate service for their situation and career objectives. In this respect, strong labour market information systems also support Job Search Club outcomes.
- JSC should constitute a particular service offer for specific and carefully selected target groups. Referrals from one service to another should be possible for participants who realize that they are "on the wrong track". This might be the case for young people who, when exploring their interests and capacities in the JSCs, realize they are better suited to self-employment. In such cases, referrals to business development services can be good practice.
- The JSC methodology can be used as a tool to operationalize national strategies and development plans, particularly on youth employment. This can also help young people target their job search in sectors that the government has prioritized for job creation, such as green and digital jobs.
- When applying the JSC methodology for refugees, it is important to select a national partner whose services are inclusive of refugees. Other important considerations for refugee participants include having up-to-date and relevant information on the sectors and occupations non-national workers are permitted to work in by law, as well as on work-permit and business registration processes.



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Employment services

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Employment services play a key intermediary role in the labour market by referring job-seekers to employment opportunities that match their skills, qualifications and training, thus enhancing their employability. They also serve employers, helping them recruit talent and (re)skill existing staff. Employment services can be provided by a variety of institutions and organizations, ranging from government services to industry associations and INGOs. Public employment services (PES) ideally play the role of coordinator between service providers, if not providing services directly themselves. In countries like those in which PROSPECTS operates, employment services are challenged by weak labour markets. These are characterized by informality and structural inefficiencies that contribute to skills mismatches and poor productivity.

Refugees and other forcibly displaced people are a particular subsegment in these labour markets. They require additional support to navigate a new labour market. Refugees will have lost assets and professional networks as a result of displacement. They may also face restrictions on the types of sectors, occupations and businesses they can engage in formally, as well as onerous procedures to access employment, such as work permits and business registration. While employment services can be a valuable source of guidance and support for job-seekers and employers facing new and challenging circumstances, in PROSPECTS countries such services lacked sufficient capacity – both financial and in terms of human resources – to carry out their functions fully. Some were also restricted by law to serving nationals, rendering the service inaccessible to foreigners, including refugees.

The sectors where refugees are often found working are characterized by short-term and seasonal work opportunities, particularly the agriculture and construction sectors. In the absence of employment services, employment can be facilitated in these contexts by word of mouth or through informal networks. That fact that refugees and other forcibly displaced job-seekers don't have the same level of social capital as the host communities increases their vulnerability and disadvantages in the labour market.

PROSPECTS worked to extend the reach of employment services in refugee-hosting areas, in support of more equal employment opportunities. To ensure sustainability of the measures, the programme also provided support upstream by strengthening employment services policies, systems and structures. It built the capacities of employment service providers in refugee-hosting areas, while also providing advice on the delivery of fair and effective career guidance and job-matching services. It introduced pilot approaches and initiatives to extend services into rural areas, provide sector-specific employment services and boost employers' engagement. These measures strengthened the employment service landscape in general, to the benefit of both refugees and members of the host community.

4.1 Description and key approaches

Based on analysis of PROSPECTS programming on employment services in Egypt, Ethiopia, Iraq, Jordan, Kenya, Lebanon and Uganda, various employment service delivery mechanisms were identified. These sought to build the capacity of PES by strengthening national frameworks upstream and piloting approaches tailored to refugee and host community job-seekers downstream. Other mechanisms included adapting ILO manuals for job-seekers, such as How to Choose My Future Profession and How to Organize my Job Search. It also supported the development of PES infrastructure and capacity, particularly in rural and/or refugee-hosting areas. This included constructing job centres, enhancing web-based job-matching platforms and applications, and providing training on efficient management and operations. The delivery mechanisms made the most of new partnerships to develop and pilot approaches to employment services as proof of concept. These included approaches to extend and deliver services in specific sectors and to specific population groups.

1. Expanding the reach of PES in refugee-hosting areas

Public employment services are government-run institutions comprising a network of offices and/or representatives throughout the country and tasked with supporting efficient functioning of the labour market by matching supply and demand. Typically, their functions include job matching and job placement, providing labour market information and referring job-seekers to active labour market programmes (ALMPs).

The organization of these services varies between countries but typically falls under the purview of ministries responsible for labour and employment. The reach and efficiency of PES also varied between PROSPECTS countries. Although, ideally, there would be a nationwide network of PES offices, in reality, countries limit them to areas with viable economic activities, while using other outreach channels for more remote areas. For instance, in Uganda, Ethiopia and Kenya, the capacities of the PES varied throughout the country and they did not have functioning branches in rural areas where refugee settlements were located. In Iraq, PES had limited reach in the Kurdistan region, where the majority of IDPs, refugees and returnees reside. Even where refugees were concentrated in urban areas, a general lack of adequate capacity within the PES remained an obstacle to delivering effective employment services. This was the case in Egypt.

Supporting work to strengthen the reach of PES began with building capacity upstream and at the meso level. In Iraq, PROSPECTS supported the drafting of the National Employment Policy, which served as a consensus-building exercise for national partners and decision-makers to develop an integrated employment policy framework. Labour market intermediation, including employment services, was reflected in this. Subsequently, a memorandum of understanding was signed by PROSPECTS and the Ministry of Labour and Social Affairs (MOLSA), focusing on building capacity at governorate level to strengthen employment services. A four-day training workshop was convened with MOLSA staff to share international best practices in employment service delivery and prioritize areas of work. Downstream, PROSPECTS supported directorates to register and profile job-seekers, as well as conduct outreach visits to local employers in governorates with higher numbers of IDPs, returnees and refugees. PROSPECTS helped the MOLSA develop and maintain its online job-matching platform and reformat it to accept refugee IDs. The programme also helped integrate the MOLSA's online platform with the social security database to better target unemployed workers with career guidance and job-matching services.

In Kenya, PROSPECTS conducted an assessment of PES and identified gaps in the work of the National Employment Authority (NEA), a government body responsible for employment policies and programmes. Similar to the situations in Iraq and Ethiopia, the areas that were home to the largest numbers of refugees had limited NEA presence. The Authority was found to be understaffed and the majority of existing staff had limited to no understanding of employment services. Through capacity-building and infrastructure support, PROSPECTS enabled the NEA to expand into Garissa and Turkana counties and strengthen its services at national level. A tailored training manual targeted three levels of NEA staff where capacity gaps had been identified: managers and senior officers, operational staff and employment officers. This enabled them to manage PES centres, adapt tools to reflect changing labour-market needs, build partnerships and strengthen their coordination function. In terms of employment service infrastructure, PROSPECTS also funded improvements to the national Employment Information System.

In Ethiopia, support was provided under the Public Employment Service Strategy of the Ministry of Labour and Skills to establish and strengthen Employment Service Facilitation Centres (ESFCs). This was done in collaboration with the Bureau of Labour and Social Affairs, targeting the establishment of an ESFC in the main refugee-hosting area of Jigjiga, where PES were absent. In addition to supporting the physical construction of the centres, PROSPECTS worked to develop the services the centres would offer. It launched consultations with representatives from the Bureau of Youth and Sport to support ESFCs that would also meet the expectations of young job-seekers. A workshop in 2022 engaged Ministry of Labour and Skills staff in training sessions on mapping opportunities in local labour markets, tools to profile job-seekers and the provision of labour market information. Staff appointed by the Bureau of Labour and Social Affairs participated in a series of online training sessions on managing public employment services, facilitated through the International Training Centre of the ILO. Critically, these services were developed at the request of the Bureau of Labour and Social Affairs and aligned to the PES strategy, which meant they were developed with the intention of the Ministry taking ownership and running them in the long term.

PROSPECTS' work to strengthen PES in refugee-hosting areas was premised on national stakeholders seeing value in expanding their services into refugee-hosting areas. Critically, the strengthened services were valuable to both refugees and host community members, and the capacities PROSPECTS helped build extended beyond refugee settlements and camps. Many of the approaches that were introduced helped rural populations access employment services more easily, regardless of their refugee status. Other small adjustments to existing systems, such as upgrading online job-matching platforms to accept refugee IDs, made them more inclusive.

▶ Career counselling for refugee and host community students in Jordan

In light of high youth unemployment in Jordan (42 per cent among those aged 15–24), PROSPECTS collaborated with the career guidance offices within Ministry of Education public schools. The programme adapted and rolled out a career guidance manual for young people, which enabled career counsellors to provide market-driven career guidance. Since Syrian refugees were enrolled in Ministry of Education public schools, they too were able to benefit from the support provided by the trained counsellors. The aim was to help students decide what professions they were interested in and might want to pursue – either through technical and vocational education or academic pathways. An accompanying mobile application featured a game for students to explore different career opportunities independently. The application, called "My Future Career Path", allowed young players to navigate ten different games, while helping them discover their abilities and interests in different TVET career pathways. As of mid-2024, the application had been downloaded more than 1,000 times from Google Play and was later made available in the Apple Store. ■

2. Working with non-governmental agencies to pilot approaches downstream

PROSPECTS worked with different non-governmental partners to pilot approaches to employment services as proof of concept. These approaches filled gaps in services in rural settings and sectors where PES were absent or lacked capacity or a mandate. For instance, in Jordan, PES did not have the mandate to serve foreigners, which meant refugees could not access them. In Uganda, the large size of refugee settlements and their distance from urban areas meant it was not feasible for PES staff to travel to them. In Lebanon, the collapse of the government had rendered PES non-operational, but even prior to the collapse, the services were only accessible for nationals. While not all contexts were amenable to extending PES to refugee populations, efforts were made to work through non-governmental partners to extend them.

In Jordan, PROSPECTS had taken a sector-specific approach to programming, focusing on agriculture, which was the main employer of refugees in the country. In the absence of regulations under the labour law and with a large supply of Syrian workers, the agriculture sector had seen the emergence of informal labour brokers. While the practices of these brokers varied, they introduced a risk of exploitation, including withholding wages. In 2021, the Kingdom finally adopted a bylaw to the Labour Law, extending the latter to agriculture workers. Prior to the bylaw, in a pilot in 2020, PROSPECTS worked with the Ministry of Labour to use mobile caravans to travel to remote areas, registering job-seekers and facilitating work-permit processes for refugees in the agriculture sector. The pilot was not ultimately taken up by the Ministry, as it was conducted prior to the adoption of the above-mentioned agriculture bylaw, so the Ministry saw reaching agriculture workers and rural groups with employment services as outside its mandate. The approach also introduced additional costs, mainly relating to vehicles, staffing and electronics, that could not be covered by the Ministry without external funding. PROSPECTS subsequently took advantage of the change in labour legislation by investing in formalizing the agriculture sector and introduced an approach to reach agriculture workers with employment services, which also served as proof of concept. PROSPECTS introduced career guidance and job-matching functions that could accommodate the needs and realities of daily and seasonal employment. It did so by partnering with agriculture cooperatives, which were already active in facilitating employment in the sector.

PROSPECTS Jordan trained cooperative representatives to serve as employment officers, with the capacity to collect the information of job-seekers, connect them to farmers offering daily, seasonal and fixed-term jobs, and refer them to training in harvest and post-harvest techniques. The team also played a role in providing information on labour rights and collecting follow-up information on the conditions of work where placements had been made. The approach moved services to the field and used employment officers from cooperatives who were already close to agricultural communities. However, while cooperatives were well positioned to respond to the sector's needs, there was still the problem of long-term affordability. Without external finance, cooperatives could not take up the employment service function, which highlights the financial challenges that localized services can face.

Similar to the case in Jordan, in Egypt, PES provided through the Ministry of Labour were not accessible to refugees, given their largely informal employment status.[33] PES were also largely disconnected from the needs of employers, contributing to a mismatch between skills in supply and those in demand. An analysis conducted in partnership with the Alexandria Business Association (ABA)'s Business Development Analysis Unit found a pronounced challenge among MSMEs to identify and articulate skills needs and, therefore, advertise job vacancies accurately. PROSPECTS Egypt partnered with the ABA to strengthen skills identification and recruitment using SkillLab, a tool that uses AI to compare self-reported skills data to the European Classification of Skills, Competencies, Qualifications and Occupations (ESCO) to generate skills profiles and identify skills gaps. By partnering with an association of employers, PROSPECTS was able to make the most of ABA members as potential employers of Syrian refugees and Egyptian host community members and strengthen its employment service function by building capacity and incorporating a digital tool into its operations.

▶ District Employment Services Forums in Uganda

A rapid assessment of public employment services in Uganda in 2020 revealed gaps in services in the main refugee-hosting districts. These districts were in rural areas and at a distance from public services. The local labour offices serviced by the Ministry of Gender, Labour and Social Development (MOGLSD) were found to be primarily concerned with labour disputes and lacked sufficient capacity to deliver employment services. The introduction of employment services in rural areas had the potential to make hiring practices more transparent and equal for all, services more demand-driven and better matches between employees and the jobs available. Employers would then also find better employees and build confidence in the services thereby communicating more of their employment opportunities through the publicly available services, rather than through word of mouth. PROSPECTS piloted rural employment services in the Isingiro and Arua districts, introducing District Employment Services Forums as a vehicle to translate experience and lessons learned from the pilot into the delivery of more efficient PES.

Prior to the pilot, INGOs in the Arua and Isingiro districts had set up job centres and experimented with delivering employment services targeting rural areas. The main purpose of these projects was to bring employment services to remote and rural areas, but this had not been done systematically or in coordination with PES. PROSPECTS partnered with one of the INGOs to strengthen the model for rural employment services and introduce a mechanism to engage government representatives (including PES), employers' and workers' organizations, and young people. This aspect strengthened the coordination function of the PES.

The District Employment Services Forums were strategically placed in line with district development plans, which were the main vehicles for translating national development objectives into work at the district level. The Forums comprised staff from the district governments, the MOGLSD, the Federation of Uganda Employers (FUE) and youth representatives from the local communities in Arua and Isingiro. They provided space for local decision-makers to convene around skills needs and employment service delivery. The FUE's main role was to engage potential employers at the district level, whereas the MOGLSD helped transfer the knowledge and outcomes of exchanges into PES practices. The Forum also helped the MOGLSD understand the specific needs of district employers and the expectations of young job-seekers. The partnering INGO and youth representatives also used information on job vacancies that were identified through the Forum to communicate with groups of young job-seekers that had registered in the pilot on rural employment services.

One indication of successful engagement through the Forums was the allocation of space by the MOGLSD to house employment services in the Isingiro and Arua districts. The district offices also earmarked budget for the continuation of services in Arua. The intervention in Uganda is an example of a pilot that made use of existing employment service infrastructure, partnered with an INGO and built networks to engage PES in the process. By engaging district staff from the MOGLSD, PROSPECTS supported strengthening capacity and ownership, while also introducing innovation in the delivery of services in rural and refugee-hosting areas. ■

In Lebanon, even prior to the economic and political collapse, PES were not accessible to refugees. Multiple and intersecting crises further weakened PES to the extent that no services were operational on the ground, even for members of the host community. Despite the absence of PES, there was still a need for labour market intermediation, particularly in guiding young people into pathways to employment. To fill this gap and respond to a need in the short to medium term, PROSPECTS integrated employment services into the structure of existing community development centres (CDCs) run by UNHCR. Partnering with more traditionally humanitarian partners allowed the ILO to introduce employment services in contexts where humanitarian types of support were more prevalent. While CDCs had traditionally provided such services as psychosocial support, incorporating more employment-driven programming enabled PROSPECTS to support young people beyond meeting emergency and basic needs. Of the 20 CDCs that UNHCR had in Lebanon, the ILO partnered with those in three of the main refugee-hosting areas to pilot employment services. It trained CDC staff in employment service delivery and rights at work. As in Egypt, PROSPECTS made use of SkillLab to profile young people and develop appropriate career pathways and referrals into training, business development and volunteer opportunities. Here, the focus was on developing employment pathways and taking advantage of local training, work-based learning and job opportunities. Contextual factors limited the number of long-term job placements that were made. The CDCs allowed employment services to be introduced in an unstable environment but encountered challenges in terms of continuity. For instance, the INGO running the CDCs changed over time and the number of job opportunities available locally was always limited.

4.2 Narrative and lessons learned

Operational lessons learned

A great deal of insight about employment services was gathered from the country experiences presented in the previous sections.

Strengthening relations with local workers and employers

PROSPECTS supported the expansion of employment services into refugee-hosting areas where they had been weak or absent, thus exposing them to groups of workers and employers that had little or no previous knowledge of them. This was evident from the development of physical infrastructure in Ethiopia and Uganda, and the introduction of new approaches and associated capacity-building in all PROSPECTS countries. In areas without PES, word of mouth or informal networks had become the main sources of information about job opportunities. This was the case among MSME employers in Egypt, for example, and the informal labour brokers in Jordan's agriculture sector. While these sources met the immediate need to find job opportunities and workers, they did not contribute to efficiency or fair and equal access to opportunities.

Introducing employment services entailed investing in building relations with local workers and employers. This was a slow but necessary process to build trust and attract users to the service. Without the buy-in and active participation of local employers, there would be no supply of jobs to which job-seekers could be matched. Having a pool of job-seekers with proof of skills[34] added value for employers and encouraged them to engage with the service. Regular contact was maintained with both workers and employers through visits to workplaces and setting up local offices or points of contact. In Uganda, Jordan and Iraq, mobile services (using caravans) were piloted to register job-seekers and provide information about relevant training and employment opportunities. In Uganda, job centres were incorporated into two existing community centres within the Nakivale and Rhino refugee settlements, providing local spaces for job-seekers to visit.

34 Proof of skills was established via rapid skills profiling, using the SkillLab tool, or via national certification processes, like recognition of prior learning.

Using existing networks of employers through local associations, chambers and cooperative groups also proved helpful in building trust and disseminating information about job opportunities, as shown by the experiences in Uganda, Egypt and Jordan. In Jordan, the programme made use of cooperative representatives, who would go to nearby farms to identify seasonal labour needs and anticipate daily work vacancies that they could help fill. In Egypt, the programme built a partnership with a local business association to support local employers in identifying precise skills needs. It also incorporated the use of a skills-profiling tool in the association's TVET career office that helped in articulating the skills in supply. In Uganda, the FUE was represented on the District Employment Services Forums to identify skills needs and vacancies among its members. All of these efforts helped guide services that were based on genuine labour market needs and engaged employers in shaping services that were both useful and relevant.

Tailoring services and building capacity to meet the needs of forcibly displaced people

Tailoring employment services to meet the needs of distinct groups can be challenging, particularly if the group is new to the country and/or labour market, as is the case with refugees. Employment service providers might not understand the situations in which refugees find themselves, nor the regulations and processes governing their access to work. In situations where refugees are working informally, PES might not see it as part of their mandate to serve them. PROSPECTS was able to help employment service providers take into consideration some of the common challenges faced by refugees and other groups of vulnerable workers and adapt career guidance and job-matching services that were relevant and efficient for refugee job-seekers and their potential employers.

Across countries, the employment terms and conditions for refugees differed from those of host community members. For example, in Lebanon, Kenya and Jordan, refugees need to obtain a work permit. Refugee job-seekers also faced restrictions on the types of employment (sector or occupation) they could legally enter. Hence, employment service officers needed to know the specific requirements and processes that applied to refugees. Because employment services are administered at district/governorate level, it was also critical for officers to have access to the latest decisions issued by the national government on access to the labour market by refugees. For example, in Jordan, frequent policy changes to the work-permit regime introduced challenges when employment service officers were not provided with the latest information. As a result, refugee job-seekers received inaccurate and outdated information and, in some instances, were told different things by different employment officers. Having clear points of information was one measure that teams adopted to help employment service providers keep abreast of policy changes that impacted their service delivery to refugees. This coordination work lent itself to partnership with UNHCR, which was a trusted outreach and communication point for registered refugees in the countries. In all instances, there was also a strong need for employment services to raise the awareness of both workers and employers on national labour legislation and international labour standards.

Strengthening institutional capacity to deliver market-relevant employment services

Developing capacities to serve refugee and host community job-seekers required investments of both human and physical capital. Infrastructure improvements served to strengthen access to services not only for refugees but also for members of the host community in remote and rural areas. Instances in Ethiopia, Uganda and Kenya have already been noted where PROSPECTS supported the construction of employment centres in refugee-hosting areas. PROSPECTS also supported the development and upgrading of web-based employment platforms and profiling tools that could accept refugee IDs. In Uganda and Kenya, support was provided to digitalize employment services provided through the MGLSD employment service unit and the National Employment Authority, respectively. In Iraq, support was provided to upgrade and maintain the online job matching portal of the MOLSA.

Alongside the provision of physical and digital infrastructure, the associated human capital was developed. Across countries, PROSPECTS teams made use of guides for job-seekers, including *How to Choose My Future Profession* and *How to Organize My Job Search*. Both of these were delivered through employment service

providers, whether career guidance counsellors in public schools and TVET institutions, or employment officers within labour ministries. Both also entailed investment in training for staff. PROSPECTS teams were active in referring PES and relevant national partners to courses on shaping and managing effective employment services. Kenya, Uganda and Egypt all sent delegations on courses run by the ILO's International Training Centre and then followed up their participation with the development of work plans to adapt and strengthen PES for refugees and members of the host community nationally.

In this respect, capacity-building efforts included a training manual that built the capacities of Kenya's NEA staff by upgrading the knowledge and skills of existing staff and supporting the induction of newly recruited staff. In Ethiopia, staff from the Bureau of Labour and Social Affairs participated in online training on managing PES, as part of PROSPECTS' work to upgrade Employment Service Facilitation Centres.

Leveraging partnerships to expand employment services

As well as PES providers, PROSPECTS teams built partnerships with local service providers to target and reach refugee and host community job-seekers. The choice of these providers reflected the local contexts where services were being adapted. For instance, the partnership with agricultural cooperatives in Jordan supported service delivery for agriculture workers. In Egypt, the partnership with the ABA helped identify and target job opportunities in Alexandria, where a large number of refugees reside.

In Lebanon, partnerships with humanitarian actors were forged to fill a gap in PES. Integrating employment services into UNHCR's CDCs helped respond to a need among young people for guidance on livelihoods pathways. Given the limited number of jobs in this context, the services tried to help young people identify relevant training and livelihood development opportunities in their localities. Similarly, in Kenya, PROSPECTS worked with UNHCR and the International Finance Corporation to introduce employment services within the Biashara Centre, located in the Kakuma refugee camp.

Academic and training institutions also played an important partnering role. In Jordan, the Ministry of Education career guidance offices were spaces that both refugee and host community students could access. In Kenya, a decree required that all institutions of higher education and training incorporate career guidance units, generating demand for support in adopting career guidance, to which PROSPECTS responded. In Iraq, partnerships with the University of Mosul and University of Dohuk helped strengthen career guidance functions and reach a diverse segment of the student population, including IDP, refugee and host community students. The aforementioned training manuals, *How to Choose My Future Profession* and *How to Organize my Job Search*, were particularly suitable for students and recent graduates.

Operating in challenging labour markets

The labour markets in all PROSPECTS countries were challenging, with limited numbers of formal and private sector jobs available. While these challenges were not unique to PROSPECTS, the experience underlined the fact that employment services are harder to operate sustainably in areas where there are few jobs or livelihood opportunities. One telling example was a small pilot undertaken in Iraq in year one of PROSPECTS. It partnered with an INGO to establish employment services inside refugee and IDP camps, but it soon became clear that the jobs available that employers needed to fill were incompatible with the constraints faced by refugee and IDP job-seekers, namely distance to urban areas and flexibility to work early and late hours. As a result, the job referrals were to cash-for-work opportunities and some volunteer positions with NGOs within the camps. Realizing that this model was not sustainable, the programme changed focus and, instead, looked at the capacity of existing PES to determine where investments in capacity and infrastructure could be made to strengthen PES as a whole, and to target support so that the services were accessible for displaced people.

In Lebanon, the environment also introduced considerable constraints in terms of the number of jobs being offered. Refugees could only formally work in agriculture, domestic work, or construction. Alongside the legislative restrictions, there were very few jobs on offer in the main areas hosting refugees. For young people, the opportunities that were available locally in construction and agriculture

were not generally appealing and failed to provide a career path. Career guidance provided a means for these young people to identify training, enterprise and business development opportunities that would support their future employability. This included guidance on starting businesses and social initiatives.

When operating employment services in constrained labour markets, guidance should be grounded in labour market information, so as not to misguide job-seekers or raise their expectations. This was emphasized by PROSPECTS' implementing partners, making it clear that investments should be made where there is value addition.

4.3 Sustainability

Long-term sustainability of employment services in refugee settings would require the continuous provision of labour market information and guidance to refugee job-seekers and to employers. This, in turn, would require the engagement of PES providers. Employment services that are delivered by non-governmental actors can provide useful lessons and experience to inform PES operations or fill gaps in services temporarily. Links to PES and relevant national entities should be forged, so that they may act in an advisory capacity or oversee pilot initiatives.

Anchoring employment services in national development plans and frameworks was also instrumental in maintaining their relevance to achieve national objectives on employment and ALMPs in the long term. For instance, in Kenya, the National Career Guidance Framework positions employment services as critical for addressing national unemployment. The framework also mentions ILO Recommendations and Conventions, thereby enhancing the relevance of ILO support. In Uganda, the District Employment Services Forums were based on five-year, district-level development plans that carry national backing. Supporting the delivery of rural employment services through these forums anchors them in national processes.

Where programming was not able to engage with PES nationally, there were challenges to long-term sustainability. For instance, in Lebanon, the INGO running the centres where PROSPECTS had incorporated employment services changed. This change introduced new staff and structures that PROSPECTS had to train and inform. In Jordan, while agriculture cooperatives were willing partners to extend career guidance in the agriculture sector, they were ultimately unable to maintain career guidance functions without external funding. Demonstrating approaches through cases is a good practice that can inform national practices that are backed by political will and resources.

4.4 Integration with other areas of work

Because employment services play an intermediary role between workers and employers, they are, out of necessity, integrated within wider employment and business development support. PES play a coordination role for job matching and implementing ALMPs. This was particularly so in cases where employment service support was directly linked to skills development initiatives, enterprise development and public employment programmes, such as employment-intensive investment programmes.

Beyond referrals of job-seekers to skills training, clear links were made between skills profiling and developing the capacities of employment officers, whether through training career counsellors and employment officers in the use of profiling tools such as SkillLab, or introducing ESCO to help determine the skills needs of employers. The latter required being able to clearly identify the level and types of skills in supply, and articulate the corresponding skills needs. Understanding these was a fundamental part of effective employment service delivery.

Employment services also have a role to play in facilitating business services. For instance, in Uganda, rural employment services were run with employment and business development officers. This helped provide labour market information and guidance to refugee and host community entrepreneurs who were starting or interested in scaling up their businesses. It included referral into business training and business plan competitions.

Finally, outreach initiatives forged through employment services supported information provision and awareness-raising on labour rights and work permits. Because refugees are new to the host community labour market, and have different terms governing their access, it was important to support information sessions for both workers and employers. Employment service officers are a useful point of contact and a channel via which such information can reach workers and employers.

4.5 Challenges

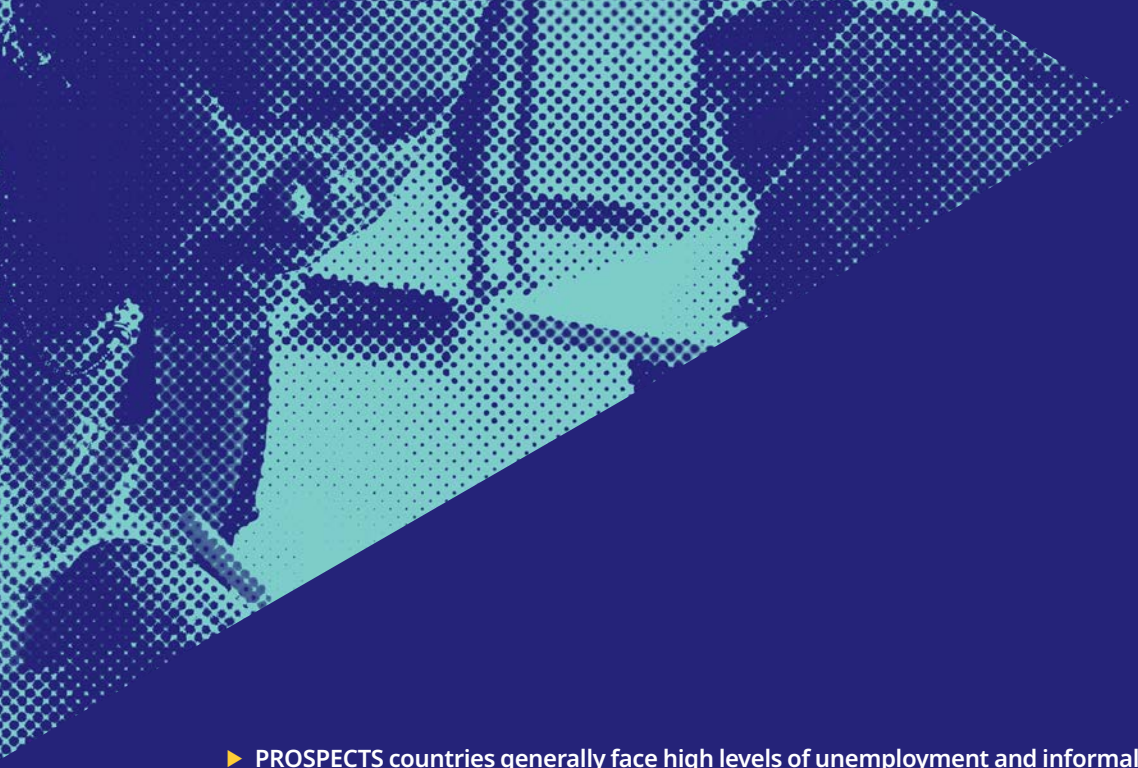
Key challenges to employment services are a product of the contexts in which they have been implemented. Several challenges were common to all the countries. The first was the availability of employment opportunities for refugee and host community job-seekers, and how to deliver services in contexts where such opportunities were limited. The second was how to target capacity-building to support institutional strengthening, and the third one on how to build links with other service providers in the space.

As already noted, in PROSPECTS countries, the labour markets are weak and, as a result, the numbers of formal sector jobs are limited. The pilot of rural employment services in Uganda targeted opportunities within MSMEs, as well as skills training and apprenticeship opportunities. While this proved to be useful in this instance, piloting employment services in extremely challenging labour markets may not be the best use of resources. The case of Iraq's work with an INGO early on in PROSPECTS illustrates how the limited number of jobs available rendered the extension of employment services ineffective. Resources were subsequently redirected to strengthening the capacity of MOLSA career guidance (see operational lessons learned on page 58), particularly its role in providing labour market information and coordination.

Another challenge identified through PROSPECTS was finding successful ways to build capacity and transfer knowledge within national institutions. An early example from Jordan saw funding provided for consultants to sit within the Ministry of Labour directorates to receive Syrian job-seekers. The theory was that Ministry career officers would also benefit from capacity-building and exchange knowledge with the consultants. However, knowledge transfer was not evident, as the extent to which public officials had time and resources to dedicate to additional work was overestimated. Ministry officers were reluctant to take on work outside of their job description (serving Jordanian job-seekers). If civil servants and national actors have no incentive and if the work is viewed as additional to their existing job, it is less likely to be well received. If capacity-building is framed as supporting functions that are already in the job descriptions of civil servants or national actors and associated with career advancement, this might make investment in capacity-building more impactful.

Moreover, when the quality of services is weak, this can perpetuate a poor image of employment services. In Iraq and Kenya, there was an overall lack of trust among private sector employers in the quality of public employment services. As a result, they were underutilized. Furthermore, several players in the job-matching sector provide more agile and responsive employment services. Many of these are online platforms that are quick to make referrals. While this is not a comprehensive approach to job matching, job-seekers and employers are sometimes more eager to get a match quickly, rather than wait for a suitable match.

Key takeaways



- PROSPECTS countries generally face high levels of unemployment and informality, and weak public sectors, which create a challenging context for employment services.
- PES serve two main groups – employers and job-seekers – whose interests need to be balanced.
- There may be a multitude of employment service providers, some targeting specific groups like refugees, so PES should play a coordination role, if not also delivering services directly.
- If labour market opportunities are insufficient, and/or labour market information is weak, trust and confidence in employment services can be undermined.
- Refugee employers and job-seekers face additional hurdles in the form of legislative and policy conditions governing employment and business operations. It is necessary for employment service providers to understand these conditions if they are to deliver targeted guidance and support. Having such understanding also limits the risk of raising expectations among workers who are not legally able to take up certain jobs or operate businesses formally.
- Where job referrals and placements happen by word of mouth, refugees and other forcibly displaced job-seekers are at a particular disadvantage, as they lack the same level of social capital as host community job-seekers.
- PROSPECTS' work to strengthen PES in refugee-hosting areas was premised on national stakeholders seeing value in expanding their services into refugee-hosting areas. The support to strengthen services needs to be valuable to both refugees and host community members.
- Targeting job opportunities within MSMEs, as well as providing skills training and apprenticeships, can provide some opportunities in more rural areas.
- Introducing employment services entailed building relations with local workers and employers. It is advantageous to have employment officers in the field, to build trust and buy-in within local communities.
- Piloting innovative approaches to employment services is one way to demonstrate service delivery mechanisms that can be adopted to strengthen PES in refugee-hosting areas. Having this transfer of knowledge requires integrating channels for oversight and guidance from relevant national stakeholders, such as Ministries of Labour.
- Working with employers' organizations can be an effective means of engaging employers in identifying skills needs and labour market vacancies. This requires support for employers to understand and be able to articulate skills needs.
- Introducing sector-specific approaches can help provide more tailored employment services.



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5

Employment-Intensive Investment Programmes (EIIP)

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Employment intensive investment programme (EIIP) focus on the creation of short- and medium-term employment opportunities in infrastructure development, while supporting improved community assets and quality of life. Such programmes (EIIPs) provide a source of immediate income, alongside an opportunity to learn and apply skills. In contexts of forced displacement, a large inflow of displaced people can place stress on infrastructure and stimulate a demand for jobs that outpaces the labour market's capacity to supply them. In such instances, labour-intensive methods can be introduced as a means to maximize job creation at the local level. The method relies on local resources, including building materials, workers, contractors and suppliers, thus providing an injection of finance into the local economy. Ultimately, the methodology aims to build the capacity of national and local stakeholders to employ an EIIP approach, serve as a tool to stimulate immediate job creation and promote local economic development.

Under PROSPECTS, programme teams operationalized EIIP to address local challenges, including environmental resilience, skills gaps and weak value chains. EIIPs provided tangible outputs in the forms of improved infrastructure, employment opportunities and income. Refugees were engaged as EIIP workers but also as worker representatives and contractors. Local contractors in refugee-hosting areas were trained in the EIIP approach and invited to participate in competitive bidding processes, which also helped the contractors grow as local businesses. Interventions were coordinated with other areas of programming that supported EIIP workers on the path to longer-term employment, including business development and employment services.

5.1 Description and key approaches

An analysis of EIIP interventions in Iraq, Kenya, Ethiopia, Lebanon, Uganda and Sudan revealed several common approaches. The first was the use of EIIP as a mechanism to address local infrastructure needs in refugee-hosting areas. This was the case for green-works programmes developed in Iraq and the reconstruction of health and water facilities in Sudan. PROSPECTS teams worked to raise awareness among local officials, contractors and workers of the EIIP approach, and set up consultative mechanisms to identify local infrastructure needs and the related job-creation potential. A second common approach was to position EIIP interventions as opportunities for the practical application of skills gained under Pillar 1 programming.[35] This was done as part of a work-based learning intervention in Iraq, integrated skills and employment services for mental health and psychosocial support (MHPSS) clients in Uganda, and work to expand technical and vocational education and training (TVET) in refugee-hosting areas in Kenya and Ethiopia, which helped improve the physical infrastructure of TVET training facilities, while also incorporating market-relevant skills training. In some cases, EIIP was also incorporated as part of wider value-chain development work. This helped bolster equipment and facilities needed for production and sales, while also supporting the development of skills to construct and maintain the infrastructure.

As case studies, the use of EIIP in Ethiopia's dairy value chain offers insight into how EIIP fits within a larger ecosystem of employment support and can add value in local markets. In Iraq, digital methods of monitoring EIIP activities with young engineers demonstrates how technology can be used to provide real-time monitoring data, while also helping young people learn and apply digital skills in the context of EIIP.

1. EIIP as a means to build community resilience

In the cases described as a means to build community resilience, EIIP was used to address infrastructure needs and linked to short- and medium-term job creation for both refugees and members of the host community. While these objectives were apparent in other EIIP approaches too, these examples are highlighted because they were not designed to link to other programme areas. This reflects the evolution of PROSPECTS programming and EIIP, where, in the first two years of PROSPECTS, individual areas of work, such as business development, skills and EIIP, were still developing and not yet integrated as part

35 PROSPECTS Pillar 1 refers to quality education and training.

of a wider ecosystem of support. The approaches covered later in this chapter illustrate how EIIP provided a foundation for such an ecosystem, creating physical infrastructure for employment, skills development and business development services. All the cases presented in this chapter started with a needs analysis and involved engaging local communities in identifying work sites, recruiting workers, training contractors and monitoring project sites.

In Sudan, an EIIP approach was applied in 2021 and 2022 to construct and rehabilitate water and health facilities. From the outset, the objective of the EIIP was that the work would be taken over by the local communities. PROSPECTS engaged district level representatives from the Ministries of Infrastructure and Health, the State Water Provision Authority and the Humanitarian Affairs Committee. It also assembled Local Economic Development Committees (LEDCs), which were responsible for oversight and guidance across the wider PROSPECTS programme and played a role in monitoring EIIP project sites. Because local contractors lacked experience in implementing EIIPs, efforts were also made to build their capacities. The PROSPECTS team used pilot contracts with ten local contractors, which gave the latter experience in preparing and implementing a labour-intensive approach, overseen and guided by the ILO's EIIP technical officer. The programme also created an occupational safety and health (OSH) facilitator position on project sites, intended to reinforce the application of decent-work principles.

The EIIP intervention targeted localities in East Darfur and West Kordofan and responded to the lack of nearby health and water facilities for the communities there. In the case of West Kordofan, people were using the same water source for both livestock and domestic needs, introducing cross-contamination and health risks. The interventions constructed water points for livestock and household use, while also installing a solar system to pump water, thereby reducing the time and effort required to obtain water. A separate livestock water point was added in light of the communities' reliance on livestock-rearing as a main source of income in an otherwise arid landscape. The needs analysis also informed the rehabilitation of two health facilities in the El Nimir refugee camp to address increased patient intake during the COVID-19 pandemic. Additional rooms were added to accommodate patients who needed to be isolated. Plans to repurpose the rooms as storage and laboratory space were also made but interrupted by the conflict that erupted in 2023.[36]

The aim of the approach in Sudan was primarily to address infrastructure and employment needs but also to build up local capacity to adopt an EIIP approach in the future. It developed the skills of workers, contractors and district-level representatives through the pilot, with the intention of using these to implement bigger infrastructure projects. However, this was interrupted by conflict linked to the civil war in 2023.[37]

In Iraq, based on consultations with governorate representatives and communities, PROSPECTS identified green works as a focus for EIIP, targeting the improvement of irrigation systems for local farmers, solid-waste and recycling mechanisms, and afforestation interventions in the Dohuk governorate. This was the first time leaders from the municipality in Dohuk had been exposed to EIIP. Dohuk is known as the breadbasket of Iraq and serves as one of the main refugee-hosting areas in the country. Given the area's large supply of unskilled and semi-skilled labour and moderately sized agriculture sector, the PROSPECTS team used EIIP to create jobs close to where refugees and IDPs were located, while building local capacity to adopt an EIIP approach in the future. This introduced cost-effective solutions to create and maintain green works that were close to refugee camps. These included fixing damaged irrigation channels and constructing new ones to increase local farmers' access to irrigation water, sorting waste at source for compost production and planting trees that did not require significant water to thrive. The composting method also led to higher-quality fertilizers. As a knock-on effect, the project supported the governorate and partners to package, market and sell the compost, introducing a revenue source associated with EIIP. This constituted an early link to another area of programming, business development, which was exploited in subsequent EIIP interventions in the country.

36 In April 2023, civil conflict began, leading to the displacement of more than 8.2 million Sudanese. The project sites where the ILO was engaged were no longer accessible, and the programme was forced to relocate to Port Sudan.

37 As a result of the conflict, the ILO office in Khartoum was closed and project staff were temporarily relocated to Cairo and Addis Ababa. The ILO subsequently opened an office in Port Sudan.

▶ Engaging trades unions in EIIPs in Iraq

The approach taken in Iraq also involved trades-union participation, through the creation of a technical committee to oversee and guide the EIIPs. The direct involvement of the trades unions saw them take on the role of solving issues to do with decent work, in partnership with the government. The leadership role of the unions positioned the ILO as a convenor, enhancing the authority of the social partners. The unions also played a role in advising EIIP workers themselves and supported the election of worker representatives on project sites. The elected representatives pushed for the development of a recommended wages list for 20 occupations in the construction sector. A recommended wages list was drawn up jointly by the construction workers' union and contractors' association in Dohuk, providing a positive example of local partners taking on responsibility and ownership. It also shows the potential for EIIP workers to take on greater responsibility as worker representatives and build cohesion by advocating collectively for a shared benefit, such as standardized wages. ■

2. EIIP as a means to address needs in crisis contexts

EIIP can serve as an immediate response mechanism in the aftermath of crisis. Experience in PROSPECTS countries shows how the method can be quickly operationalized, with built-in mechanisms to be able to adapt to and mitigate interruptions introduced by instability.

In Lebanon, EIIP was introduced as a rapid response mechanism to address the immediate aftermath of the Beirut blast in 2020.[38] While EIIP was not initially included in the PROSPECTS workplan in the country, the team was able to repurpose funds and support an existing ILO EIIP programme[39] in Lebanon to operationalize rubble removal and street-clearing in the days following the blast. Workers were largely refugee and host community youth, who channelled their energy into helping the community recover from the unforeseen crisis. It was particularly advantageous to be able to use the footprint of the other ILO programme, including staff who were already in place with the necessary technical expertise to carry out the EIIP work at community level. In implementation, Syrian refugee youth were particularly eager to contribute as a sign of solidarity with their host community. In this case, the repurposing of funds to support the EIIP response also demonstrated the agility of both the ILO and the donor (the Netherlands), who were both willing to expedite approval processes to serve a clear and immediate need.

In Sudan and Iraq, the volatile contexts in both countries prompted PROSPECTS to introduce innovative means to monitor the EIIPs from a distance, when physical access to sites was interrupted because of security and environmental factors. In Sudan, state-led LEDCs were established in East Darfur and West Kordofan as part of the wider PROSPECTS programme advisory structure. These committees helped engage state-level representatives in the prioritization and design of EIIP interventions. They also helped navigate and speed up government approval processes. This was particularly useful in terms of obtaining building permissions in more remote areas. During the rainy season, when project sites became inaccessible, LEDCs also enabled PROSPECTS to monitor progress of EIIP worksites and adherence to regulations stipulated by the Ministry of Infrastructure. The LEDC members continued their support for PROSPECTS during the subsequent outbreak of conflict and the closure of roads in 2023. Even during the conflict, they continued to engage teams at each site to ensure the continuation of essential water and health services that PROSPECTS had helped rehabilitate.

38 On 4 August 2020, a large explosion at the Port of Beirut devastated the capital, leaving more than 200 dead and 7,000 injured. The cost of the infrastructure damage amounted to more than US$15 billion.

39 Employment-Intensive Infrastructure in Lebanon, financed by the German Government through the KfW Development Bank (2017–2025).

▶ The role of Local Economic Development Committees (LEDCs) in localizing EIIP in Sudan

As a mechanism to localize its approach to EIIP in Sudan, the PROSPECTS team set up LEDCs at state level in East Darfur (Assalaya) and West Kordofan (Keilak and Muglad). These included representatives from state-level ministries, employers' and workers' organizations, local financial institutions and vocational training centres. The main objective of the LEDCs was to transfer relevant knowledge and skills for ensuring coordinated and locally appropriate interventions to support rural livelihoods under PROSPECTS. Three LEDCs were formed and underwent a period of training. They convened on a quarterly basis and submitted action plans for coordinated information-sharing and exchange. The action plans commonly involved access to remote field locations, monitoring and providing feedback on work progress, and developing evidence-based recommendations to strengthen programming. These were reviewed by the PROSPECTS team and used to determine support costs that the LEDCs would require. The plans, and associated capacity-building for LEDC members, helped the programme localize its operations. In terms of EIIP, this served to support the identification of relevant infrastructure work and localized monitoring and oversight functions. The LEDCs continued to meet in the early phases of the resurgent conflict, and helped the ILO maintain PROSPECTS even as access to project sites was interrupted for PROSPECTS staff. ■

In Iraq, young people played a role in carrying out and monitoring EIIPs in Mosul, which had experienced infrastructure damage as a result of the Islamic State in Iraq and the Levant (ISIL), also known as Da'esh, invasion in 2018. Together with UNICEF, PROSPECTS identified vocational training and youth centres in need of rehabilitation, for which an EIIP approach could be adopted. Because of security restrictions that made travel for UN staff more complicated, the PROSPECTS team had to come up with innovative ways to monitor and report on progress remotely using digital monitoring tools. Once developed, these tools supported EIIP oversight functions. The EIIP project sites in Mosul decided to replicate the model employed by the ILO in Dohuk of using young engineers who had received technical training in EIIP approaches as EIIP site monitors. Young engineers from refugee and host community backgrounds participated in introductory life-skills training provided by UNICEF, then moved on to classroom training on EIIP, comprising modules on labour-based approaches, project management, OSH, contracting and decent work. The young engineers then conducted regular inspection visits to EIIP worksites and reported on infrastructure development and working conditions using the digital monitoring tool (see box below).

▶ Digital methods of monitoring EIIP activities in Iraq

In Iraq, a simplified digital monitoring tool was introduced and used by young engineers to carry out monitoring and reporting on EIIP sites. The tool was designed to ensure adherence to quality-of-work standards, alignment with environmental and social safeguards, and compliance with safety standards across project sites, while also introducing a technology that would allow young people to gain work experience using digital skills. Both project sites in Dohuk and Mosul had large universities with engineering departments, which produced a large pool of graduates seeking practical work experience. To capitalize on the talent pool and introduce monitoring tools that captured information in real time, survey information was uploaded to KoboToolbox – a data collection, management and visualization platform used globally for research and social good, which was already being used by other humanitarian and development actors in the area. This included technical aspects to measure the project's implementation, as well as social and environmental elements. The tool was first introduced on green work sites in the Kurdistan region, with young engineers from the University of Dohuk. After a successful rollout on project sites in Dohuk, it was rolled out in Mosul. Here, it proved particularly useful for continuous monitoring when PROSPECTS staff could not access project sites, owing to security requirements that made travel more costly and time-intensive. The tool is now used for all EIIPs across Iraq and PROSPECTS is looking at ways to institutionalize it in governmental public works programmes. ■

3. EIIP as a means to develop skills

EIIP was also positioned as an opportunity for refugee and host community members to develop and apply skills. While EIIPs provide workers with skills to carry out infrastructure and construction-related work on project sites, under PROSPECTS, they were additionally linked to more extended skills development programmes, such as those on masonry, paving, cobblestone production and maintenance. EIIPs served as a practical component of theoretical, classroom-based training in Iraq, and as part of work to expand TVET training in refugee-hosting areas in Ethiopia, Uganda and Kenya.

In both Kenya and Ethiopia, cobblestone technology was introduced to install and repair roads, using an EIIP approach. In both cases, this was linked to work to develop TVET courses in cobblestone paving, maintenance and related works as part of efforts to expand vocational training in refugee-hosting areas. In Kenya, the PROSPECTS team partnered with the government of Turkana County to produce and install cobblestones. The paving technology was introduced as a means to improve the durability of local roads and stimulate demand for the production of cobblestones that could be used at county level and for export. The team partnered with the Lodwar Vocational Training Centre and Department of Public Works to establish a cobblestone production training course, targeting youth in the county. This focused on the development of skills in paving and chiselling and helped develop local capacity to continue to install and maintain the labour-intensive technology. Working with the public vocational training centre at county level helped ensure the training would remain accessible in the long term.

In the first rollout of the programme, 50 young people were trained in paving. These same trainees were also supported in forming a workers' cooperative, so that they could collectively manage the work. In addition, 150 young people were trained in chiselling cobblestone, so that they could produce cobblestone to repave the local Lodwar fresh produce market.[40] This demonstrates how public TVET courses supported the development of a local skill base for infrastructure development and maintenance.

In Ethiopia, the PROSPECTS team supported an initiative to establish a satellite TVET training centre in the district of Kebribeyah, in Somali Regional State. The satellite centre was the country's first public TVET training facility in a refugee-hosting area. As a result, it was able to create jobs for refugees and host community members during the construction of the centre itself, while also providing vocational training to refugee and host community students who would otherwise have to travel long distances for TVET training (the closest public vocational training college was 55 kilometres away, in the regional capital, Jigjiga).

Consultations were organized with local stakeholders in Kebribeyah to promote buy-in and ownership, and to provide guidance on relevant, in-demand occupations, including finishing works in construction, general metal fabrication and aluminium works, electrical installation, plumbing and sanitary installation, irrigation technology and cobblestone laying. Trainers from Jigjiga Polytechnic College were then trained as trainers to deliver courses in the satellite centre. As a component of the cobblestone course, graduates were awarded a trial contract to construct a 500-metre cobblestone road as a demonstration site for EIIP in Kebribeyah. Similar to the case in Kenya, this supported the upskilling of local refugee and host community labour, using a labour-based approach.

In Iraq, PROSPECTS also focused on EIIP to improve the physical infrastructure of TVET centres, while working to incorporate work-based learning approaches within the centres themselves. The programme team introduced an EIIP approach to rehabilitate Ministry of Labour and Social Affairs TVET centres in Dohuk and Nineveh. EIIP work provided an opportunity for the practical application of skills for TVET students on solar panel installation, painting, plastering, gardening and masonry. Selected candidates first underwent life-skills training facilitated by UNICEF and EIIP theoretical training supported by the ILO, followed by practical rehabilitation of the TVET centres themselves. Vocational trainers from the Ministry played a supervisory role and accompanied the students during the practical EIIP work.

40 A total of 2,400 square metres of road was paved at the Lodwar fresh produce market, contributing to the development of local infrastructure. Private premises across Lodwar town were also paved.

In Uganda, the ILO and UNHCR joined forces to address the limited community services, including vocational training and mental health and psychosocial support (MHPSS), available inside the Nakivale and Rhino refugee settlements. The two organizations used the EIIP approach to construct three community centres, thereby generating work and income for refugees living in the settlements. They also incorporated MHPSS counselling, employment and skills development services within the centres themselves. As part of the construction work,13 local contractors – including two refugee-run construction businesses – from Isingiro, Arua, Madi-Okollo and Terego were trained in an EIIP approach, as a first step in building a pool of locally qualified contractors. In partnership with the Omugo Vocational Institute and Nakivale Vocational Institute, PROSPECTS used the community centres to facilitate, on a trial basis, skills recognition processes for 114 former MHPSS clients.

4. EIIP as a means to support the value chain

EIIP was used in Kenya and Ethiopia to support the development of value chains in rural refugee-hosting areas, targeting infrastructure development to enhance productivity and value-chain efficiency. The capacities of local contractors along the value chains were also built to enable them to adopt an EIIP approach. In Kenya, EIIP was used to strengthen infrastructure in the camel-milk value chain by restoring water systems. In Ethiopia, detention ponds for cattle were built as part of the dairy value chain.

Both interventions addressed infrastructure weaknesses around water sources for households and livestock. Livestock-rearing serves as an important livelihood option for both refugees and members of the host communities in the two countries. In arid regions, a reliable source of water is a key determinant of milk production. Both interventions stemmed from an integrated market-systems analysis, which tried to understand how and why markets operated the way they did, and why they might not serve the needs of refugees and members of the host community equally. Based on the analysis in Kenya, non-functional water pumps and dams were identified as bottlenecks impacting both refugee and host community camel-herders.[41] The EIIPs were designed to rehabilitate existing water sources and to help the communities build the necessary knowledge and skills to maintain the infrastructure. This included training in basic maintenance of community water infrastructure and management of community water points, including dams, boreholes and pumping systems. In Ethiopia, the assessment identified access to water during the dry season as one of the critical bottlenecks in milk production. Provision of a sustainable water supply would help overcome the effects of prolonged drought in the region. The programme involved the construction of two detention ponds, featuring cattle troughs and fencing, by 40 local workers and a trained mason. One officer from the Bureau of Pastoralist Development was appointed to provide technical and logistical support at each pond, and to serve as a community resource for the ongoing maintenance of the ponds after the EIIP work was complete. PROSPECTS collaborated with the Bureau of Pastoralist Development and local administrators on these appointments, to gain buy-in and support for the role in the long term.

PROSPECTS in Kenya also mobilized local actors to oversee and lead the EIIP work. Village committees were established to manage the rehabilitated water sources – primarily to coordinate community use and avoid over-use of the shared water resources. The committees introduced a small fee per animal that used the water source, with the monies received used to pay for maintenance. The committees were also responsible for overseeing the rehabilitated dams – which were cleared of vegetation during this intervention in partnership with the county government. The committees led follow-up work to fence off the dams for more effective management and to prevent damage to the banks by grazing animals.

41 The camel-milk value chain was prioritized in the Garissa County Integrated Development Plan and is the biggest employer of women in Garissa and a contributor to good nutrition and food security in the county.



▶The dairy value chain in Ethiopia

In 2019, in the Fanfan Zone of the Somali Regional State and Jigjiga, PROSPECTS extended the EIIP approach followed as part of a wider value-chain development programme. This extended approach focused on enhancing the livelihoods and added value of livestock-rearing and milk production. After assessing challenges and bottlenecks in the value chain, animal health and milk productivity were identified as areas of focus. A key issue within that was water access during dry seasons, which is a key determinant of both the quality and quantity of milk produced.

Because the EIIP approach was new in these areas, the intervention included a period of capacity-building and awareness-raising around the EIIP approach, involving district-level officials, private sector contractors and workers. PROSPECTS collaborated with the Bureau of Pastoralist Development and local administrators on such issues as land acquisition, community mobilization and handover to the local community at the end of the EIIP. The Bureau was also overseeing work as part of the wider value-chain development programme and so could advise based on a wider objective to develop the market.

To address the issue of water scarcity in dry seasons, two detention ponds were constructed using *do-nou* technology, a Japanese method that uses gunny bags filled with sand or soil and compacted manually to level and reinforce dirt roads. This is a durable, yet simple technology, the materials for which can be sourced locally. Additional facilities included water points and cattle troughs. Two technicians were also trained as community resource personnel, to provide support and maintenance after the construction ended.

To address productivity bottlenecks the PROSPECTS team and the Bureau of Pastoralist Development jointly prioritized cooperative development, the construction and enhancement of milk-storage facilities, and improvements to road infrastructure. A milk collection and cooling facility was constructed so that milk would have a longer shelf life and be preserved during transport to nearby markets. Water sources were constructed so that livestock would have water all year round in the arid climate,[a] while the pooling and storage facilities prolonged the shelf life and hygiene of the milk.

The cooling facility was designed according to national standards and requirements set by the Ministry of Agriculture and Livestock. It was constructed by local contractors from the Somali Regional State, who, in turn, employed refugee and host community members from the surrounding area. In all, 134 community members worked on the EIIP construction, while approximately 585 individuals and approximately 5,080 animals had access to the improved facilities. ■

a ILO PROSPECTS, 2022, Progress report, 1 March 2021 - 28 February 2022. From ILO internal PROSPECTS progress reports. ILO: Geneva.

5.2 Narrative and lessons learned

Operational lessons learned

Insight gathered from EIIP in PROSPECTS countries highlights the complex contexts in which these programmes took place but also the opportunity to use EIIP as part of a larger intervention model. Lessons were learned in terms of navigating access to project sites, communicating with workers from different communities and promoting social cohesion. In addition, better understanding was developed of institutionalizing EIIP approaches and mechanisms to support long-term employment for EIIP workers.

Access to project sites

Because EIIP addresses infrastructure needs, it is relevant to crisis response situations and in locations where there is instability. In Sudan and Iraq, EIIPs were implemented in areas that had been impacted by both climate change and conflict. In Sudan, work was conducted in remote areas that were difficult to reach during rainy season and, later, because of travel complications due to the reignition of civil war. In Iraq, EIIP was carried out in an area that experienced conflict during the 2018 Islamic State of Iraq and the Levant (ISIL) invasion. As a result, the EIIP project sites entailed restrictions on access for security reasons. This meant that ILO staff had to adhere to security protocol when travelling, which took time and coordination with other UN partners (UNAMI, UNHCR, etc.). Being able to access project sites consistently was important to monitor progress and compliance with building standards. In the case of Iraq, digital monitoring tools were used by local university students to collect real-time data (see case study on page 69). In Sudan, Local Economic Development Committees were able to take on the role of monitoring and reporting when climate variables and conflict interrupted access. These examples illustrate the importance of creating local partnerships and building capacity to localize monitoring and reporting functions.

Building the capacity of refugee and host community contractors

Local contractors are both workers and business owners. PROSPECTS teams invested in building the capacity of contractors to be able to serve as local business leaders and points of contact for current and future EIIP and related contracting. While contractors were generally members of the host community, in Uganda, the project team engaged refugee-owned construction companies, as part of EIIP plans to construct community centres to serve MHPSS clients in the Rhino and Nakivale refugee settlements. The refugee-owned businesses participated in training alongside host community contractors, and all participants were involved in the subsequent competitive bidding process for the EIIP contract. While the refugee-run businesses were ultimately not successful in this process, the engagement of refugee businesses in EIIP training and bidding processes shows the potential to work with refugees not only as workers but also as contractors. In Ethiopia, at the time of drafting this document, 16 graduates from a technical vocational course on cobblestone paving were in the process of forming a cooperative with a view to being issued a trial contract to complete a 500-metre cobblestone road in Kebribeyah. Contracting through cooperatives, rather than private businesses, it connected the cooperative to the Reginal Cooperative Bureau, supported their capacity to serve as a subcontractor for EIIP and public works. More targeted and intensive capacity-building may allow refugees to participate in EIIPs as contractors on a regular basis. The feasibility of doing so will depend on the national frameworks and processes in place for business registration and ownership.

Distinguishing EIIPs from traditional cash-for-work programmes

Cash-for-work programmes are common in the countries in which PROSPECTS operates. The idea of short-term work on infrastructure projects in exchange for cash is therefore likely to be familiar to both refugees and host community members. Clearly communicating what EIIP is, and how it differs from traditional cash-for-work approaches, is important to differentiate aspects related to decent work, local economic development and community participation. EIIPs are a form of short-term, formal work, for which a work permit and compliance with social-security and formal-work conditions are required. Hence, project teams had to explain these processes and procedures. For refugee workers, EIIP work may be the first time they have participated in the formal labour market. Experience in various countries has shown that if workers are not duly informed of the requirements that come with an EIIP work contract, they are not able to meaningfully participate in formal employment after the EIIP ends. On an EIIP in Jordan, for example, there was a substantial number of inactive refugee social-security subscribers who were registered in the social security system as part of a cash-for-work project but did not realize this, so they failed to earn sufficient income to make contributions after the EIIP ended. In PROSPECTS countries, explanations of such issues were provided as part of wider efforts to raise the awareness of EIIP workers regarding labour rights and decent-work principles, including OSH. Establishing communication channels with the relevant government ministry and social security institutions can also help direct questions and follow-up.

Integrating an EIIP approach into the operations of PROSPECTS partners

In working with PROSPECTS partners on programming that involved an EIIP component, the ILO invested in building awareness among those partners about EIIP. In Ethiopia, an awareness-raising session with UNICEF was organized to include the EIIP strategy in UNICEF school construction and expansion projects. The session involved contractors employed by UNICEF. Even though these projects had not yet started, it was recognized that the consultation was encouraging and laid a path for collaboration and implementation on future school construction projects. In Uganda, the PROSPECTS team trained UNHCR personnel on an EIIP approach and promoted the mainstreaming of EIIP principles in the UNHCR's procurement from local building contractors. Although differences between the organizations' procurement processes ultimately made this mainstreaming difficult, a common understanding of the approach and benefits was established.

Establishing common understanding with partners is essential to joint work. In Iraq, UNICEF had to understand what EIIP entailed, so that it could make informed referrals of young people to EIIP work, particularly young engineers, and avoid raising the expectations of those who did not meet the required profile (capacity to perform manual labour, consistent availability during working hours). Both the ILO and UNICEF had to be clear in communicating with young people that the work was short-term in nature and not akin to long-term employment.

Standardizing procedures

As noted above, in PROSPECTS countries, cash-for-work programmes are run by various humanitarian and development actors, each of whom have their own specific terms and conditions for the work, regarding the likes of daily pay, number of working hours and duration of the work. When different programmes are implemented in the same locality, this can introduce competition between projects, with workers looking for opportunities that provide the best value to them. When government-run public works programmes are added to the mix, this can serve to disincentivize participation in national, government-run programmes that are not be able to offer the same pay or duration of work. There are also the questions of fair compensation and alignment with national labour legislation and international standards on working age, working hours and OSH. In Iraq, in order to facilitate some level of standardization and alignment, the PROSPECTS team created Standard Operating Procedures for EIIP. As an outcome of dialogue with UN agencies, INGOs, NGOs, trades unions, industry associations and government representatives the Standard Operating Procedures drew up general guidelines on fair compensation and contracts. The dialogue and drafting processes were both led by the PROSPECTS country team, with additional support from other ILO EIIP programmes in Iraq.[42]

42 Including the project Support to Livelihoods Through Cultural Heritage Development, implemented by the ILO and UNESCO, with funding from the European Union.



Social cohesion on project sites

EIIP brings members of communities together to work on shared infrastructure. Because the work is physical and requires collective effort to perform, the level of interaction between workers of different backgrounds working on the same project site is higher. In Ethiopia, Kenya, Sudan, Uganda and Iraq, all contracts required workers to be recruited from the nearby area, where there were both refugee and host community populations. In all contracts, the project teams specified that the EIIP workforce had to comprise a certain percentage of refugees and displaced people. In most instances, the host community already had some level of interaction with the refugee population they were working alongside, as they lived in proximity to one another. It is also noteworthy that, in PROSPECTS countries, the displacement situations were largely protracted, so working and interacting with members of different communities may have become normalized. Nevertheless, there were measures in place to facilitate a more cohesive working environment. Pay rates were set based on occupation and efforts were made to ensure both groups were represented at different levels. On EIIP project sites in Iraq, worker committees were mobilized to organize daily work and oversee the well-being of the workers. These committees featured representatives of both the refugee and host communities. Having such participatory platforms in place is a positive example of structures that can foster a greater sense of cohesion and encourage greater and more meaningful interactions.

Facilitating long-term employment

One of the criticisms of EIIP is that the work it provides is short term. Hence, efforts have increased to situate participation in EIIP within a wider employment pathway, whether this be connected to relevant skills training, job referrals through employment services, or business development services. In Iraq, EIIP was a practical opportunity for trainees to apply their skills. EIIP workers were also registered in government employment services and had the opportunity to take part in the ILO's Start and Improve Your Business (SIYB) training to support their ideas for business start-ups in construction and related industries. This approach goes beyond support through short-term employment, accompanying workers as they progress towards longer-term employment. Because EIIP is a localized process, supporting cohorts of EIIP workers through registration in employment services and other follow-up services is likely more feasible than it would be for larger cash-for-work or public works programmes.

5.3 Sustainability

The sustainability of EIIP can be determined according to two key variables. The first is the durability and ease of maintenance in the long term of the infrastructure provided. To this end, programmes invest in building the necessary knowledge, capacity and resources at community level to maintain the infrastructure independently and in the long term. The second is the positioning of the EIIP approach as part of national active labour market programmes, whether public works programmes or national employment programmes more generally. This can be facilitated by engaging relevant government departments in EIIP planning and implementation. The use of EIIP in public procurement processes, and the capacity of local contractors to bid in these, are part of this.

The work on rural roads with the Ethiopian Roads Administration (ERA) in Ethiopia and with the Garissa and Turkana county governments in Kenya is an example of how simple technologies were used to improve the durability and quality of public infrastructures. The simple technologies were also easier to maintain in the long term. The techniques that were applied, whether cobblestone or *do-nou*, relied on readily available and inexpensive inputs, in this case stones from riverbeds and gunny bags filled with sand. Regional bureaus of the ERA were trained in the labour-based approach, alongside road engineers from five of the main refugee-hosting regions, so that they were in a position to adopt the technology and labour-based approach independently. In addition, a consultative workshop involving policy-makers and directors was held in collaboration with the ERA to raise awareness among the relevant national institutions and line ministries of mainstreaming EIIP approaches in the public works implemented by the government, as well as to review/reflect on past performance and lessons learned regarding the adoption of EIIP. The workshop allowed key stakeholders to discuss how to improve the implementation capacities of federal and regional infrastructure institutions (by tailoring local practice to the ILO's EIIP strategies and approaches), thereby contributing to the creation of decent jobs for the urban and rural poor through the provision of priority infrastructure. In Kenya, a workshop was convened with technical staff of both county governments, including representatives of the Department of Roads and Public Works. This led to the subsequent adoption of an EIIP approach in national roads projects and reliance on local knowledge and capacity to oversee and implement them.

The infrastructure that is developed by EIIP projects requires government or local resources to maintain it over time. Budget can be set aside by government departments or local authorities for this purpose, but this would require the project to have planned for this and costed it out in advance. It is also worth noting that, in PROSPECTS countries, volatile political and financial systems may make the continuous provision of government resources less reliable. In Sudan, for instance, the water and health facilities constructed or rehabilitated were handed over to line departments, so that they could continue providing the services and technical support for maintenance. However, the reignition of the conflict in the country makes it unlikely that the provision of national resources would be made. Regarding ongoing maintenance through local resources, a good example is where the village committees in Kenya that manage water sources in the camel-milk value chain started collecting a small fee from users that went towards maintenance costs.

In terms of building capacities to be able to use the EIIP approach, workers, government departments and local contractors have all benefited. Contractors are also local business owners and, in this respect, can contribute to job creation. In Uganda, 18 contractors and construction business owners from both refugee and host communities were trained in an EIIP approach and invited to bid for a contract. In Ethiopia, two rounds of courses were introduced for contractors through the Jigjiga Polytechnic College, focusing on water, sanitation and building construction, as well as road rehabilitation and maintenance. This was also linked to work with the ERA, allowing contractors to understand the related public procurement processes. In Kenya, TVET training in the construction sector was tied to awarding graduates a certificate from the National Construction Authority, which meant they could be registered as contractors in the construction industry and thus be able to bid for tenders. In Sudan, small contracts were awarded to contractors who had participated in EIIP training. These contractors also received additional technical support and guidance.

In line with ILO's EIIP approach, PROSPECTS also tried, as a sustainability measure, to have EIIP included in public procurement processes and linked to public employment programmes or development plans. Unlike training for technical staff and contractors, this training focused on employment priorities set in national and local development plans. For example, in Kenya, in the Garissa County Integrated Development Plan, the camel-milk value chain was prioritized and provided an entry point for using EIIP to address related infrastructure weaknesses. In Ethiopia, PROSPECTS reviewed the draft National Roads Policy and recommended the inclusion of labour-based methods. In other instances, demonstration projects helped serve as proof of concept for including the EIIP approach in national and local strategies. In Iraq, in Dohuk, an EIIP approach was incorporated into public tenders for waste-sorting put out by the Directorate of Municipalities, after pilot green-works projects concluded.

5.4 Integration with other areas of work

The examples presented throughout this chapter point to several relevant links to other thematic areas. The most prominent link is to skills, as demonstrated by the work with the training arms of road and public works authorities. EIIP was also positioned to provide newly skilled trainees with additional work experience. In addition, programme teams used referral networks between activities to help EIIP workers and contractors start and expand their businesses. In work with other PROSPECTS partners, EIIP was applied to rehabilitate and construct community centres, youth centres and health services, while, in parallel, partners strengthened services provided within these, such as MHPSS and life-skills training.

Construction and environmental projects require contractors, engineers, artisans and unskilled labourers to have a wide range of skills. Therefore, the skills base within the local community needs to be determined, so that the necessary skills development programmes can be introduced to build the skills required for the project. For instance, in Ethiopia, there were enough road engineers and contractors in general but none specialized in bridge maintenance. Subsequent training was provided through the ERA to regional road bureaus and local authorities to improve their technical knowledge and experience in this area. In Iraq, a work-based learning model was developed, which featured a period of classroom training in the Ministry of Labour and Social Affairs TVET centres, accompanied by practical application in the rehabilitation of those same centres, using an EIIP approach. Similarly, in Ethiopia, skills training at Jigjiga Polytechnic College was followed by the awarding of a small trial contract to the trainees to install a 500-metre cobblestone road in Kebribeyah. In this instance, the trainees took steps to form a contractors' cooperative with support from the programme.

In Iraq, the EIIP intervention was also linked to work on business development. In this case, some EIIP workers were interested in starting their own construction or contracting business after completing the public work. PROSPECTS set up a referral process so that after the EIIP, participants could get information about different employment and enterprise opportunities, and how to avail of them. Indeed, one of the livelihood strategies that is enhanced through participation in EIIP is self-employment, whereby EIIP participants use the technical and vocational skills they learned to start small businesses in home repair and the like. Thus, a referral pathway to BDS tools such as SIYB training can be a valuable add-on, ensuring that skills acquired during the EIIP continue to be used to good effect and are not lost.

Integration with other aspects of ILO PROSPECTS work evident, notably skills, business development services (BDS) and TVET. In terms of skills, EIIP can be used as a continuation of training, providing practical experience to TVET graduates. This was the case in Iraq in Mosul, where engineers trained on UNICEF life skills were employed in the rehabilitation of youth centres. Young engineers - refugees and host community members - were trained in the EIIP approach and worked on the EIIP sites, providing engineering expertise and learning from the experience. In an innovative method to monitor work sites, the digital monitoring tool was used by those engineers on sites, but that was also a learning tool. Some of these young people stayed on to become supervisors of EIIP projects.

Finally, the work of PROSPECTS partners also had links to EIIP. In Iraq, UNICEF referred young engineers who had participated in its life-skills training to opportunities to serve as EIIP site monitors. UNICEF also worked to identify youth centres in need of rehabilitation for which an EIIP approach could be adopted. In Uganda, the project partnered with UNHCR to construct community centres, which also served as centres for MHPSS and employment services. PROSPECTS led on the construction side, using an EIIP approach, while UNHCR helped identify and refer refugee workers to work on the sites. At the same time, PROSPECTS worked to strengthen the employment services run out of the rehabilitated centres, while UNHCR did so for the MHPSS services.

5.5 Challenges

Challenges in EIIP projects relate to time and efficiency, cost and the localization approach, as well as the roles played by partners. An EIIP approach takes time, as it has a dual objective, that is, to improve local infrastructure and create jobs. While mechanized processes can save time, the aim of using a labour-based approach is to provide a maximum number of work days for members of the local community. Moreover, locally recruited workers are often new to the area of work, so they might not be highly efficient, particularly at the outset of the work. This is even more evident when EIIP sites are used to allow training-course participants to apply their skills in practice, as was the case in Iraq.

When EIIP work is performed in a sector or location where seasonality is a factor, time considerations and accounting for delays are also necessary. For instance, in Ethiopia, the construction of a storage facility for milk was completed after the milk production season had ended. This meant that the productivity gains of the storage facility could not be realized until the following season.

Delays in implementation are not solely due to worker efficiency. Because contracts are awarded locally, it can take time for contractors and local partners to submit technical and financial proposals that align with ILO requirements. The contracts may also have to go through government processes, which introduce further delays.

Delays allow time for the value of local currency and the price of construction materials to change. This has happened in Sudan and Ethiopia, which both experienced hyperinflation and devaluation of their currency. As a result, financial proposals had to be renegotiated. In Sudan, it took 12 months for the contract with the implementing partner to be approved. By that time, the price of building materials had skyrocketed, highlighting the importance of agility and speed when contracting locally.

The availability and quality of local materials can also introduce challenges. In more remote areas, local suppliers may not have the cash flow to provide the volume of building materials required by an EIIP. Sourcing materials from the closest urban or peri-urban area will increase costs. This could also cause delays or compromise build quality. While, sometimes, materials can be sourced locally without having to go through a supplier – such as the *do-nou* gunny bags in Ethiopia and cobblestone production in Ethiopia and Kenya – in other instances, materials will have to be brought into the locality and may also have to meet certain standards set by the government.

Key takeaways

- EIIP stimulates local economic development in refugee-hosting areas by creating short-term work opportunities, hiring local contractors and providing/strengthening infrastructure, which then leads to enhanced productivity.
- EIIPs offer graduates of skills development courses an opportunity to apply and refine their skills on EIIP work sites. There can, however, be a trade-off in terms of efficiency when using new graduates to complete the work.
- TVET and related training institutions at the local level can be relevant and useful partners in institutionalizing skill sets needed to construct and maintain systems and infrastructure built/rehabilitated by EIIP work in the long term. To this end, training courses can be developed in local TVET training institutes that are accessible to both refugees and members of the host community.
- In complex contexts, continual access to EIIP work sites may not be possible owing to security and safety measures. Using local actors to monitor and report on the EIIP's progress is valuable when ILO staff face mobility restrictions. The capacities of local actors therefore need to be built to enable them to carry out this function independently.
- Refugees can serve as construction contractors where legislative frameworks and processes allow them to run formal businesses in the construction sector. Additional support may be needed to build their capacities so that they can be competitive in bidding processes. Awarding trial contracts to refugee-owned businesses can give them an opportunity to learn by doing.
- The availability and quality of local materials can be challenging in refugee contexts, particularly when in remote areas. Local suppliers may not have the cash flow to provide the volume of building materials required by an EIIP. In such contexts, it is best to use simple technologies and avoid goods that need to be imported or transported over long distances.
- PROSPECTS countries are more likely to suffer from volatile economic and political conditions that can quickly increase the price of inputs and disrupt supply chains. Relying on local resources can help mitigate the impact of these.
- Trades unions can play a relevant and useful role in supporting the organization of worker committees on EIIP sites. This includes raising awareness of labour rights and OSH, and helping EIIP workers form committees and elect their own representatives. Such efforts can also encourage EIIP workers to be active in trades unions and other representative organizations after the EIIP work concludes.
- Because EIIP projects adhere to local labour legislation and international standards, the processes and procedures to access formal work need to be carefully and clearly explained to workers – particularly those who have not engaged in formal work prior to their participation in the EIIP. For refugees, topics such as work permits and social security will also need to be covered.
- EIIP can be leveraged as a response mechanism in the immediate aftermath of crisis. Having multi-year funding with built-in flexibility can support the repurposing of funds to contribute to EIIP in the case of unanticipated natural disasters, industrial accidents, economic collapse and conflict.



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6

Value-chain development and market systems

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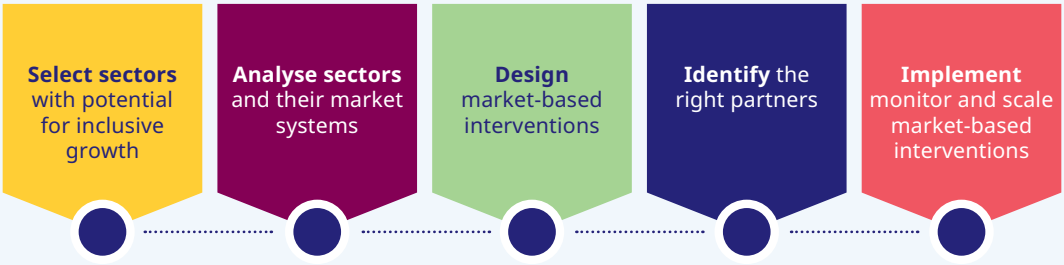
There is increasing recognition of the need for a more integrated approach to bringing humanitarian response and development assistance – one that goes beyond meeting immediate needs and considers durable solutions for refugees.[43] Market-oriented approaches are increasingly employed in the humanitarian-development nexus to enhance access to economic opportunities for vulnerable populations in a sustainable manner. By promoting the economic self-sufficiency of refugees and host communities, market-based strategies not only encourage self-reliance but also improve social cohesion and enhance the contributions of refugees to the economies of host countries. Such strategies are valuable in protracted humanitarian situations, as they provide concrete solutions to economic integration and improve the way markets function, while aiming for sustainable, scalable impact.

The Approach to Inclusive Market Systems for Refugees and Host Communities (AIMS) was designed by the ILO and UNHCR in 2013 to develop livelihood interventions for refugees and host communities that are both sustainable and market-driven. While traditional approaches to refugee livelihoods and value-chain development in displacement contexts often deliver needed goods and services directly, AIMS focuses on understanding the overall system in which refugees and host communities live and make a living and designs tailor-made solutions to make the system work better for both communities. This is achieved through the application of "push and pull" approaches: on the one hand, AIMS interventions focus on developing markets and value chains to increase the quantity and quality of opportunities available to the target group (the "pull"); on the other, AIMS seeks to develop the capacities and skills of the target group to engage with the market and benefit from new opportunities (the "push"). The AIMS approach has been implemented in five PROSPECTS countries – Uganda, Sudan, Egypt, Kenya and Lebanon – either fully or partially (e.g. an AIMS assessment has been conducted in some countries but the approach has not (yet) been implemented).

6.1 Description and key approaches

In line with the steps in the approach summarized in Figure 4 below, in six PROSPECTS countries, the market systems in which refugees and host community members operated were analysed in order to understand the barriers to fully realizing economic opportunities. These market-led approaches improved economic self-sufficiency in a manner that was directly linked to local economic development.

Figure 4 Steps in the AIMS approach



Source: ILO, *Designing and Implementing Market-led Interventions in Forced Displacement Settings*, 2024.

43 ILO, The Humanitarian Development Nexus in Action: A Review and Mapping of Market-led Approaches in Forced Displacement Contexts, 2023.

Based on the composition of local economies and on the fact that refugees and host communities in rural displacement contexts are mostly dependent on staple value chains, most of the AIMS analysis conducted by PROSPECTS focused on the agricultural sector and related value chains. The exceptions to this were Egypt and, to a lesser extent, Jordan, where most refugees – and therefore PROSPECTS' geographic focus – are concentrated in urban areas. The inclusion of refugees in urban settings in Egypt also meant that the project could potentially operate in a more developed and diverse market environment (compared with other PROSPECTS-targeted districts) and had a wider range of high-potential value chains to choose from.

The AIMS and value-chain analysis conducted by PROSPECTS included:

Country	Focus
Uganda	Arua district – cassava, sesame, cattle (2020); Isingiro district – soap, textile, handicrafts, waste, horticulture (2021)
Sudan	Groundnut and sesame (2022)
Kenya	Turkana County – livestock, poultry, wholesale and retail trade (unpublished, 2022)
Ethiopia	Jigjiga – livestock and milk (unpublished, 2020)
Egypt	Furniture and care economy (unpublished, 2020); Food services and digital economy (2023)
Lebanon	Horticulture (2020)

The market-system analyses in these countries followed the AIMS approach to identify high-potential sectors and value chains that could sustain the livelihoods of refugees and host communities. They also unpacked key constraints that underpinned how markets operated and included (or excluded) marginalized groups. Typically, they considered not only the core value chain of the selected sub-sector but also the different supporting functions, like business development services (BDS) training and access to finance and information, alongside the laws, policies and social norms that governed the sub-sector. As illustrated in Figure 5 below, these interventions were broken down into the push and pull approaches described above. Attempts were made to stimulate the market to generate additional opportunities for refugees and host community members (pull), while, in parallel, the target groups were supplied with market-relevant skills, capacities and assets to be able to take advantage of those opportunities (push).

▶ Figure 5 Push and pull interventions explained



Source: ILO, *Designing and Implementing Market-led Interventions in Forced Displacement Settings*, 2024.

However, as discussed in the section entitled "Operational lessons" below, several projects in the PROSPECTS countries struggled to translate the results of these assessments into actionable and sustainable push and pull interventions, owing to specific operational and technical challenges. As a result, many of the value-chain interventions implemented by PROSPECTS countries seem to have focused more on the supply side of the labour market and the "push" approach (capacity-building and technical training, distribution of seeds and grants, construction of infrastructure, etc.), often implemented through direct support with partners, rather than influencing how markets could work to deliver such support.

In refugee contexts, a key underpinning factor is constraints on the sectors that refugees are legally allowed to access, and encompassing the processes governing them, like issuance of work permits. In Lebanon, there was a very short list of sectors in which refugees could work legally,[44] while, in Uganda, practical access to small plots of land within settlements made agriculture one of the few viable livelihood opportunities in more rural areas where refugees resided, despite their being able to work legally in more sectors.[45] Alongside legal and practical variables that defined what livelihood opportunities were available to refugees, cultural norms played a part in determining who participated in these activities and how. In Uganda, Kenya, Sudan and Egypt, a gender dimension in the selection of value chains was apparent. For instance, in Kenya and other East African countries, women were traditionally more involved in caring for and milking small livestock or camels and in selling the associated products, while men were more involved in decision-making regarding the sale or purchase of large livestock. Moreover, men were still largely in control of household budgets and profits generated from sales. In Egypt, the assessment of the care and food-services value chains highlighted a substantial representation of women, especially in the most informal and micro enterprises.

Below is an examination of the push and pull approaches implemented in the five PROSPECTS countries cited above, together with an exploration of the associated challenges, key success factors and sustainability considerations. The case study from Uganda of the provision of agricultural services by a private sector partner engaged by PROSPECTS in the country is an example of a successful combination of push and pull interventions.

1. Pull approaches

As already noted, pull approaches seek to connect marginalized groups to existing or untapped market opportunities, while stimulating the market and its actors to increase the quantity and quality of opportunities available. In contrast to push interventions, which are largely focused on the skills and assets of the target groups, pull interventions involve close collaboration with market actors, often (but not exclusively) the private sector, to facilitate sustainable business models, or "win-win" situations.

In Lebanon, the programme team aimed to influence both productivity and working conditions in the agriculture sector by working with agricultural input suppliers and off-takers[46] to introduce modern greenhouse technology on horticulture farms. This was done using demonstration plots on 12 farms as proof of concept and then comparing the yield achieved using modern greenhouses with that achieved using traditional structures. The demonstration plots that used modern greenhouses saw an increase of up to 100 per cent in crop yields compared with the yields produced in traditional greenhouses. Additional, non-financial benefits included better climate control, protection against pests and plant diseases, extended seasons and reduced use of pesticides. By enhancing the productivity and working conditions of horticulture farmers, PROSPECTS Lebanon helped protect livelihood opportunities for Syrian refugee agriculture workers that might otherwise have been lost or significantly reduced amid Lebanon's ongoing crises.

44 These included agriculture, cleaning and domestic work.

45 The small plots of land available to refugees living in settlements are not equivalent to land ownership.

46 The parties who buy the product being produced or use the services being sold, usually through a collective agreement that ensures a market for the products and services.

In Uganda, the programme team partnered with a private sector agri-business to strengthen extension services and market links along the sesame value chain. The for-profit business Ag-Ploutos leveraged technologies to improve agriculture production further down the supply chain, while benefiting from improved quantities and qualities of produce that it then purchased for export or domestic sale. The model also built and strengthened market links by introducing extension services using village agents. In all, 10 small agriculture businesses, or "agri-preneurs", as they became known, were identified to rally farmers in their areas and help build up a network of village agents. These agri-preneurs were trained in the market-systems approach. They then identified 10 village agents who could reach at least 200 farmers in their communities. The village agents helped develop farmers' technical skills, distributed seeds, monitored the quality of harvests, provided resources for safe and hygienic drying of the seeds, and, finally, aggregated harvests from the farmers they served. Ag-Ploutos was the final off-taker, buying the collective produce that the agri-preneurs had aggregated. PROSPECTS Uganda managed to facilitate a business model in which Ag-Ploutos implemented both push interventions – by supplying refugees and host communities with improved agricultural inputs and services on a commercial basis – and pull ones – by buying back the produce and ensuring continuous access to market by farmers. (For more information on the lessons learned from this partnership, see the case study on page 87.)

In Sudan, the PROSPECTS team identified an opportunity to support the formation of cooperatives of groundnut producers and connect them to off-takers who supplied high-end export markets that required higher-quality products. Working with the latter meant better profit margins for producers than working with off-takers who targeted mass markets and prioritized quantity over quality. The project's support helped the producers increase their production capacities to be able to supply specific quantities and meet the standards demanded by the off-takers. As there were also benefits to this for the off-takers, who otherwise struggled to obtain the quality and quantity of products they needed, PROSPECTS co-invested, with the off-takers, in initial training for the groundnut producers in farming and production. This was provided on the understanding that all producers' groundnuts would be aggregated to fulfil the off-takers' quantity obligations.[47] By creating these market links, the project facilitated a win-win situation for the producers and off-takers. On the one hand, the off-takers received the required quality and quantity of groundnuts, while on the other, refugee producers were able to pool and sell groundnuts at a premium price. They also had access to a stable off-taker market.

2. Push approach

To take advantage of market opportunities, refugees and members of host communities need to have relevant sets of skills and competencies. Push interventions equipped refugees and host community members to obtain these necessary skills, capacities and assets to take advantage of opportunities in the market. In general, the interventions focused on developing and strengthening the capacities of producer groups, including to form cooperatives; enhancing technical skills for improved production quality and quantity; improving financial literacy and access to financial products, such as loans; and building infrastructure to improve connectivity to markets.

In Kenya, bottlenecks in camel-milk production were due to, among other things, insufficient volumes of milk for sale, unhygienic cooling and storage, and inefficient transport to markets and points of sale. To address these, interventions employed various ILO tools and approaches, including Employment Intensive Investment Programme (EIIP) interventions to build water sources for livestock and milk-cooling facilities, thus addressing the key factor in poor camel-milk production and inadequate storage. In addition, animal-feed production was boosted through county-level agreements on access to land and off-take production. For example, through a community-based agreement at county level in Garissa, refugees were given land on a riverbank near the Da'adab refugee camp to grow fodder for the pastoralists in the area. The fact that refugee producers entered into a community agreement also supported access to markets through a government-supported fodder-restocking programme, which provided a guarantee to off-take excess fodder from the growers.

47 ILO, Designing and Implementing Market-led Interventions in Forced Displacement Settings, 2024.

In Uganda, Kenya and Sudan, cooperative groups were formed to address the limited production and bargaining power of individuals. Cooperatives' capacities were built through ILO Cooperative training,[48] including Start.COOP and Think.COOP. By forming cooperative groups, small-scale producers were able to achieve greater scale so that off-takers would see value in travelling to more rural refugee-hosting areas to collect their harvest. Collective bargaining power also allowed the producers to set more competitive prices than they would otherwise have been able to offer as individual producers. In Uganda and Sudan, this support was combined with extension services provided by private sector off-takers (and/or their village agents), as part of a commercially viable "buy-back" business model.

In Sudan, specifically, the land was owned by host communities and refugees laboured on it in return for 50 per cent of the harvest. The programme team supported the formation of cooperatives so that, collectively, refugees and host community members could access land and take full ownership of their collective production. They aggregated individual production and took equal shares in the profits yielded. This is an example of starting by building push capacities (cooperative formation) rather than with pull factors. The programme supported THINK.COOP and START.COOP training, as well as Start and Improve Your Business (SIYB) and GET Ahead training, for the cooperatives. As this intervention started at the level of cooperative formation, the ILO COOP training materials were adapted for groundnut production and translated into Arabic. Technical training in harvesting was also provided for the groundnut producers, using Ministry of Agriculture tools. This addressed a weakness in local production and helped ensure quality standards were met for export and that post-harvest damage was limited.

Financial inclusion, including financial education and the provision of loan products, addressed another common barrier to market access. In Uganda, farmers, in addition to receiving financial education, were supported to compile necessary documents and proof as part of the Know Your Customer (KYC) requirements that serve as a prerequisite for opening a bank account. In Lebanon, the pilot also included the provision of vouchers for agricultural inputs and training using the Improve Your Agricultural Business (IYAB) tool. IYAB was adapted from the ILO's SIYB methods and materials to support horticulture farmers' engagement in the value chain. It addresses sector-specific business management skills, such as managing aggregation processes, finances, cashflow and loan settlements – knowledge and skills that were not readily apparent among the rural farmers with whom the programme team engaged and which took time to instil. The programme team in Lebanon also supported the provision of technical training in horticulture production, including growing, harvesting and storage of crops, in accordance with quality assurance requirements.

6.2 Narrative and lessons learned

Operational lessons learned

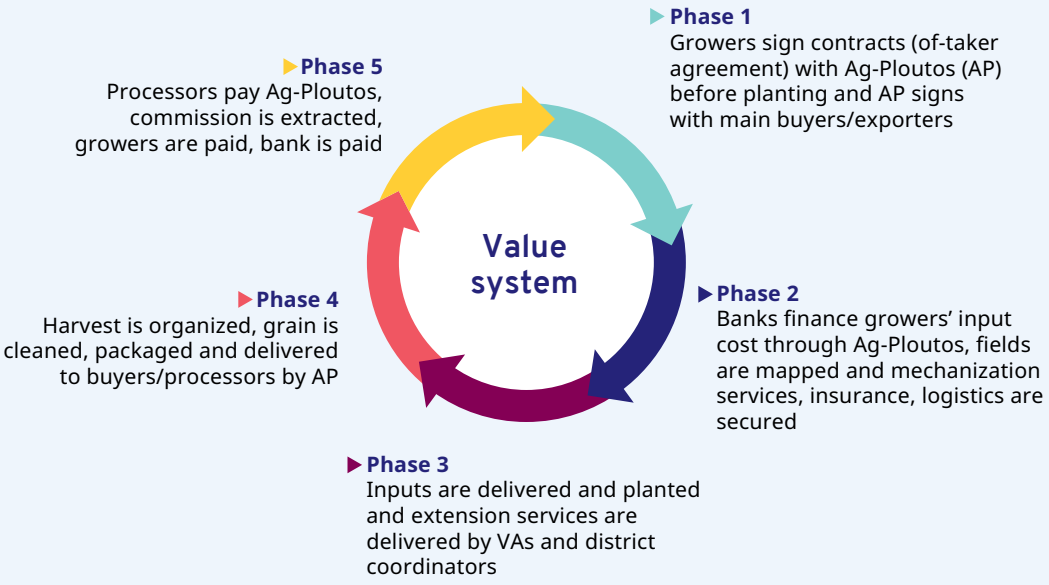
PROSPECTS' work on value chains and market systems has highlighted the relevance of using market-oriented approaches to strengthen value chains in refugee-hosting areas, especially those that are remote and rural. This built on previous AIMS work conducted alongside PROSPECTS to demonstrate the value in such approaches to help refugees and host community members access market opportunities. The implementation of these approaches is not, however, without challenges, particularly in the complex contexts in which PROSPECTS operates. PROSPECTS' experience has highlighted how engaging with market actors, particularly private sector entities, requires de-risking incentives and aligning incentives between market actors. Successful examples, such as the partnership with Ag-Ploutos in Uganda and the market links established with groundnut producers in Sudan, demonstrate the feasibility of adopting market-led approaches in refugee-hosting areas.

48 A series of training packages support cooperatives, and those interesting in forming and strengthening cooperatives to develop necessary skills to develop, start and manage a cooperative.

▶ Combining push and pull interventions: lessons from the PROSPECTS/ Ag-Ploutos partnership in Uganda

PROSPECTS Uganda conducted an AIMS assessment that identified challenges and opportunities in supporting sesame and cassava value chains, highlighting their potential to provide livelihoods for refugees and host communities. The assessment identified several constraints, including inconsistent and low-quality input supplies, a lack of downstream agri-dealers or agents, inadequate farming practices, inconsistent supply for aggregation, poor post-harvest handling and limited market access. In response, the project began identifying private sector partners with the capacity and commercial incentive to engage with farmers in these underserved areas. Through an open call, Ag-Ploutos was selected as a partner.

Ag-Ploutos is an agricultural company that specializes in strengthening food supply chains by collaborating with public and commercial entities, including governments, cooperatives and farmers. Through its agent network it provides aggregators with quality inputs, extension services, financing, crop insurance and access to credible markets. The company had already identified a business opportunity in expanding its reach to 30,000 farmers in new territories and had already planned to expand into the West Nile region to increase its pool of quality sesame suppliers for high-end export markets. As the company's manager explained to the programme team, it would have eventually expanded into West Nile with or without PROSPECTS' support; however, the opportunity to work together substantially accelerated its penetration of the local market, enabling it to achieve its expansion goal in just one year instead of three. This also demonstrated that the business case was sound and aligned to the company's own objectives.



The model that was developed with Ag-Ploutos can be broken down into five phases. The graphic above illustrates these and clearly shows how the partnership facilitated access to export markets by de-risking transactions between large export buyers, banks and small-scale farmers. The phases were as follows: 1) the grower signs contracts with Ag-Ploutos, which, in turn, signs contracts with export buyers; 2) based on the guarantee provided by these contracts, local banks agree to finance growers' input costs through Ag-Ploutos, which will recover the loan on behalf of the bank. At the same time, fields are mapped and mechanization services, insurance and logistics are secured for the growers; 3) inputs are delivered and planted, and extension services are implemented through a network of trained village agents and district coordinators; 4) village agents buy back the sesame production from farmers, deducting a pre-financing cost of the inputs from the total. Ag-Ploutos aggregates the sesame harvest locally and has it cleaned, tested and packaged in Kampala; 5) export buyers pay Ag-Ploutos, a 5 per cent commission is extracted for the village agents and the loan to the banks is paid back.[a]

a "Piloting private service provision to refugees and host Communities in Uganda," https://reliefweb.int/report/uganda/piloting-private-service-provision-refugees-and-host-communities-uganda. January 6, 2025.

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Continued from previous page

Alongside the extension services, the programme team facilitated training with the National Organization of Trade Unions to train farmers in occupational safety and health. This addressed decent work deficits observed at the farm level and served to support compliance with export buyers' requirements.

Because the farmers involved were small-scale and largely unregistered, Ag-Ploutos also developed a digital profiling tool for the farmers, accompanied by an evaluation tool. The profiling tool provided basic information about the farm, such as crops grown and geographical area of operations. The evaluation tool allowed farmers to receive ratings from buyers, which helped legitimize their operations. The evaluation tool was also expanded to predict productivity potential of the farms and evaluate compliance with labour standards. The two tools were adopted by banks for the purpose of due diligence, which also helped previously unbanked farmers access finance.

Results

- In all, 5,740 refugees and host community farmers had access to inputs and extension services, as well as guaranteed access to export markets.
- In one season, 350 tons of sesame worth US$420,000 were produced and aggregated.
- The new seed variety introduced by Ag-Ploutos improved farmers' yields, increasing them from 100 kilograms per acre to 500 kilograms.
- Farmers' revenue increased by a minimum of 150,000 Ugandan shillings (US$40) and up to 800,000 shillings (US$216) in one season.
- In total, 890 individual bank accounts were opened for farmers at Equity Bank.
- Overall, 215 businesses were started in the sesame value chain. ■

Interventions need to be grounded in updated, field-based market evidence

In countries covered by the PROSPECTS initiative where push and pull approaches were implemented successfully, evidence provided by AIMS assessments was combined with up-to-date data reflecting country and local contexts, markets and business incentives. Gathering such information during implementation and triangulating it with data from diverse market actors helps refine and orient approaches. For example, in PROSPECTS Sudan, decisions were made to enhance farmers' capacity to produce higher-quality groundnuts after engaging with buyers and identifying that traditional mass markets yielded very low margins for producers. In this case, the AIMS assessment confirmed market access – in terms of distance, produce quality and quantity – as a key barrier. This was triangulated through consultation with producers.

Adaptive management is key to adjusting focus and operations

Market-based programming in fragile contexts requires a high degree of adaptability to respond to volatile environments, evolving market trends and shifting market incentives. These contexts are more exposed to socio-economic and political shocks that impact and change markets. This was seen in Lebanon and Ethiopia, where hyperinflation and currency devaluation impacted national and regional markets. In such instances, PROSPECTS teams had to monitor impacts and interpret changing indicators to inform the push-and-pull design. For PROSPECTS Lebanon, for instance, adaptive management was critical in responding to the collapse of the financial and political systems in the country. As farmer profitability and investment potential drastically declined, many development partners pivoted towards humanitarian and direct aid efforts. PROSPECTS Lebanon chose to adapt its approach, to move closer to direct assistance and subsidized services. It did so, however, with a view to transitioning back to more sustainable forms of finance and support once the effects of the crisis subsided. This is where the use of subsidized interest rates and blended finance came in.

Facilitation versus delivery: engaging with market actors

As previously highlighted, the challenging and demanding contexts of forced displacement often call for direct support and subsidies. PROSPECTS has frequently stepped in to provide access to inputs, training, financing and other solutions. However, some interventions, such as the Ag-Ploutos model, demonstrate that PROSPECTS not only has the capacity to directly implement solutions but can also facilitate more sustainable, market-driven approaches. By collaborating closely with local market actors, PROSPECTS has shown that, with the right support, these actors can establish commercially viable models to deliver services and inputs over the long term – reducing reliance on continuous support and funding from humanitarian and development organizations. Market facilitation is particularly critical for "pull" interventions, which require project staff to use a distinct set of skills to effectively engage with the private sector. These skills include speaking the language of private sector actors, understanding business incentives, mitigating risks for investments, and fostering collaborations that encourage market actors to pilot and adopt innovative, mutually beneficial business models involving refugees and host communities. Such approaches have been successfully implemented in Lebanon, Uganda and Sudan.

A lot of effort has also been invested by the ILO in its own programmes, and those with UNHCR, on building development practitioners, government partners and the private sectors' knowledge and capacities regarding market-systems approaches. Running a course on market systems at the ITCILO was another measure to help both humanitarian and development partners working under a market system use the same language and have a common understanding of the approach. Market facilitation and the resulting inclusive business models should not be confused with the work carried out by implementing partners commonly engaged by PROSPECTS. Without direct funding (from PROSPECTS or others), there are no inherent business incentives for these partners to continue providing such services independently. As analysed further in the chapter on financial inclusion, market facilitation efforts have significant implications for both sustainability and scalability, making them essential components of long-term solutions in forced displacement contexts.

Value-chain development takes time

Influencing markets through pull approaches takes time and is easily offset by contextual changes. This is partly because such interventions try to indirectly influence the market, which can require behaviour change and the realization of profit. Refugees and host community members may also need new knowledge and skills to make the most of the market opportunities. In Lebanon, many farmers lacked the knowledge of how to develop their business, or even the ability to see farming as a profitable business. This implies that farmers or cooperatives involved in value chains require two separate sets of skills, both of which may need time to be developed. This was particularly evident in Sudan, where PROSPECTS supported cooperative formation in a community that had traditionally followed individual production practices. It took more than two years to get individuals operating as cooperatives. Similarly, in Lebanon, the greenhouse pilot was used to demonstrate to farmers the benefits of modern technology and encourage them to adapt their traditional farming methods. However, notwithstanding the crisis in the country, a year is a short time in agriculture to demonstrate value addition. The positive impact on farmers' incomes might also be negatively impacted by external factors like inflation, supply-chain disruptions and drought, pointing to the need to engage for longer than just one growing season.

The importance of timing

Value chains related to agriculture feature an inherent risk based on their dependence on environmental variables that affect production quality and quantity. This can mean that push and pull approaches do not "meet in the middle" of the market system at the same time. For instance, the off-taker needs some certainty that scale and quality criteria will be met by the growers, so that the off-taker can supply its buyers with high-quality produce in sufficient volumes. The growers and producer groups also need some certainty that their goods will be taken by the off-taker and that they will be paid accordingly. There can be a sequencing problem that may take a few years to iron out: stimulating the pull side in the absence of sufficient supply means off-takers may lose confidence in the system, while oversupply in the absence of sufficient off-takers means growers and producer groups do not receive the profit they had anticipated. This is further complicated in refugee-hosting areas, where off-takers and buyers were not previously present and thus had not yet established trust.

6.3 Sustainability

The mapping of AIMS push-pull approaches implemented across PROSPECTS highlights an imbalance: push strategies were more frequently employed, while pull approaches were implemented effectively in just a few countries. There are several reasons for this:

- Fragile contexts, thin markets and vulnerable groups call for stronger support and subsidized activities to build the capacities of beneficiaries and market actors to engage effectively with the market.
- Push interventions are more familiar to project staff, as they are somehow aligned with more "traditional" development and humanitarian practices, especially when they involve training and distribution of products or assets.
- Push interventions provide quick results and can be more easily measured and reported against the current PROSPECTS monitoring and evaluation framework.
- Push interventions are easier to plan and manage for project teams, particularly when human resources are already stretched across the various pillars of PROSPECTS. This is especially true when these interventions are outsourced to third parties, such as NGOs, consultants, training providers, or local authorities.



However, push-only approaches cannot ensure the sustainability and scalability of market-led initiatives, as they fail to address the fundamental challenge of creating and expanding economic opportunities in displacement contexts and within the targeted value chains, that is, the need for tangible market opportunities and established links to be in place to absorb the services, products and skills enhanced by push interventions among refugees and host communities.

Ultimately, while push strategies are essential for inclusivity, their impact is significantly enhanced when combined with pull strategies, ensuring that interventions are both sustainable and aligned with market realities.

The cost of push-only strategies should also be considered, as they require significant investments in training, asset transfers and coaching. Their limited scale and low value for money might also be issues: the larger the target group that needs to be reached, the bigger the investment required. Pull-only strategies are not ideal in displacement contexts, either, as they risk excluding less market-ready individuals, such as vulnerable groups with limited skills and assets.

6.4 Integration with other areas of work

Value chains offer the possibility for a number of integrated approaches, notably in BDS, financial inclusion and cooperative development, as they help producers achieve scale. Two other integrated models – EIIP and OSH – can also be considered, as both relate to the infrastructure and decency of work in the selected value chain.

In terms of BDS, producers in the value chain were supported to grow crops beyond a subsistence level, as was the case in the ground nut and sesame value chains. To help the producers develop a business around their production, push approaches often incorporated BDS training, in addition to technical support for farming and other production practices. It also entailed group formation for small-scale producers located at a distance from commercial centres, which helped the target group achieve scale. SIYB, IYAB, Get Ahead and COOP training were all referenced as support tools in the push approach. BDS and cooperative development are best considered foundational elements of value chains and market-led approaches. As noted above, BDS may address a set of skills that farmers and cooperative managers do not have. Without these skill sets, businesses and cooperatives are unlikely to reach their full potential.

Cooperatives are a means of aggregating produce and improving the market power of otherwise marginalized actors in the value chain. Cooperatives also play a mediating role between off-takers and individual producers and can take ownership of collective infrastructure, such as storage facilities, machinery, or vehicles for collection of the produce.

Access to finance is another aspect that can be considered foundational for value chains to operate optimally. Producers need to acquire seed and other inputs. To purchase them on an ongoing basis, independent of external assistance, they will need financial products. Access to finance and, specifically, to bank accounts, credit and loans is crucial for transactions between off-takers, suppliers and producers, and for cooperatives to receive payments for aggregated production and then pay individual cooperative members. Helping refugee and host community members overcome barriers to accessing finance enhances their participation in the value chain.

Besides enterprise development, financial and non-financial business development services, EIIPs can be used to enhance a value chain. The cases outlined in this chapter demonstrated how infrastructure weaknesses contributed to lost economic opportunities. In refugee-hosting areas, poor infrastructure can interrupt regular access to markets, the delivery of critical inputs and of extension services. Addressing this as part of a market-systems approach helped address underlying causes of underdeveloped or lacking market opportunities.

Finally, the AIMS approach addressed OSH risks at the level of production in Lebanon. Refugee and host community agriculture workers were employed in modern greenhouses, which introduced better climate control and ventilation. To reinforce good OSH practices, workers were provided with information and training on pesticide use and temperature regulation. This was particularly important, as the market-systems intervention supplied greenhouses that were closed, and while the modern structures reduced the risks of heat exhaustion and exposure to chemicals and pesticides, agricultural work still involves inherent occupational risks that also impact overall productivity.

6.5 Challenges

One of the key challenges in developing agricultural value chains that are inclusive of refugees is land rights and ownership. In Sudan, refugees did not own land and establishing a value chain required negotiation on land use with members of the host communities. In Uganda, sesame production required the leasing of land, as refugees did not have legal access to land ownership. Long-term and sustainable solutions require policy change over land rights, but in the short-term, programme teams helped facilitate access for a small cohort, on a case-by-case basis.

Different challenges affect individual value chains, which requires an agile approach to test and refine interventions. Some common challenges among the cases presented in this chapter includes lack of access to productive inputs, limited capacity to produce at scale, distance to markets and lack of financial capital. Each context shaped how these challenges affected the target group, and how push and pull approaches were developed to respond to them. Because the situations in PROSPECTS countries are relatively volatile, changes were more frequent and unexpected.

Working in crisis and post-crisis contexts also introduces several market distortions that can have unanticipated effects on the push and pull approaches. This was most evident in Lebanon but also observed in Ethiopia, during periods of hyperinflation, when the cost of goods and services changed overnight. Producers and consumers are highly responsive to sudden changes in costs, which cannot always be accounted for in the design of push and pull interventions. For example, the initial subsidy to farmers for greenhouses in Lebanon was 3,000 Lebanese pounds, which increased to 8,000 pounds during the crisis. At the same time, other INGOs started to introduce free-of-cost goods and services and employed cash grants. While such measures might be necessary in times of crisis, they do distort the market over a longer period after the crisis, making it more difficult to develop a market for a good or service that was at one point subsidized.

As already identified, push and pull approaches take time to implement and deliver results. In cases where behavioural change is needed, this can take several years and different types of intervention to occur. While PROSPECTS did involve a relatively long timescale, there was a point at which the programme needed to see evidence of change in order for it to continue implementing the approaches. In some cases, an approach had to be abandoned, perhaps prematurely, in order to pivot to a different approach that might influence change more quickly.

Key takeaways



- Market-oriented approaches are increasingly employed in the humanitarian-development nexus to enhance access to economic opportunities for vulnerable populations in a sustainable manner.
- AIMS interventions focus on developing markets and value chains to increase the quantity and quality of opportunities available to the target group (the "pull"). On the other hand, AIMS also seeks to develop the capacities and skills of the target group to engage with the market and benefit from new opportunities (the "push").
- Based on the composition of local economies and on the fact that refugees and host communities in rural displacement contexts are mostly dependent on staple value chains, the agricultural sector and related value chains are usually selected.
- Many of the value-chain interventions implemented in PROSPECTS countries seem to have focused more on the supply side of the labour market, with "push" interventions (capacity-building and technical training, distribution of seeds and grants, construction of infrastructure, etc.) often delivered through direct support. Programme teams struggled to implement pull interventions.
- Push-only approaches alone cannot ensure the sustainability and scalability of market-led initiatives, as they fail to address the fundamental challenge of creating and expanding economic opportunities in contexts of forced displacement.
- Pull-only strategies are also not ideal in displacement contexts, as they risk excluding less market-ready individuals, such as vulnerable groups with limited skills and assets.
- Stimulating the pull side in the absence of sufficient supply might mean that off-takers lose confidence in growers, while oversupply in the absence of sufficient off-takers means growers and producer groups do not receive the profit they had anticipated.
- Influencing markets through pull approaches takes time and is easily offset by contextual changes. This is partly because the interventions try to indirectly influence the market, which can require behaviour change and the realization of profit.
- PROSPECTS' experience has highlighted how engaging with market actors, particularly private sector entities, requires de-risking incentives
- The cost of push-only strategies requires significant investments in training, asset transfers and coaching. The limited scale and low value for money might also be issues: the larger the target group that needs to be reached, the bigger the investment required.



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7

Business development services

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Business development services (BDS[49]) encompass non-financial forms of support that enable business start-up, development and expansion. Enterprise development training tools, including the Start and Improve Your Business (SIYB[50]) programme, help small-scale entrepreneurs generate business ideas, prepare a business plan and understand administrative, management and formalization processes. Other tailored BDS training addresses the capacity and resources of specific sub-groups of entrepreneurs, including those exploring entrepreneurship as a career path, women and men operating micro and small businesses, and those wishing to expand existing businesses.[51] An overview of the main ILO enterprise programmes that have been used in PROSPECTS is provided below:

Core BDS training tools	Description
Start and Improve Your Business (SIYB) Generate Your Business Idea (GYBI) Start Your Business (SYB) Improve Your Business (IYB) – including the Digitalize Your Business (DYB) module Expand Your Business (EYB)	Ten training modules, designed to help small-scale entrepreneurs at different stages of business maturity to generate business ideas and scale up existing ones to enhance their business management. They include a new module in the IYB package to support existing businesses in using digital solutions to reach markets and improve business operations.
GET Ahead training (Gender and Entrepreneurship Together)	Focuses on women and men with basic literacy and numeracy skills who are interested in or already operating micro or small businesses.
Sustaining Competitive and Responsible Enterprises (SCORE)	Aimed at SMEs that could benefit from industrial modernization.

In contexts of forced displacement, different types of refugee and host community entrepreneurs pursue business development as a means to sustain a livelihood in environments where markets are scarce and job opportunities are limited. Refugees, in particular, frequently encounter distinct and heightened obstacles to accessing wage employment in their host country. These obstacles include legal restrictions on the types of occupations and sectors non-nationals can access; complicated work-permit and business registration procedures; and limits on freedom of movement. Entrepreneurship provides a viable livelihoods pathway in light of such obstacles and an opportunity to contribute to local communities. Indeed, a recent ILO study, based on data from 99 countries, highlighted the significant role, in this regard, of self-employed entrepreneurs, as well as micro and small businesses (including those in the informal sector), which contribute to approximately 70 per cent of total employment in developing countries.[52] However, refugees and host community entrepreneurs also encounter multifaceted challenges when starting and sustaining a business in fragile settings and contexts of marginalization. According to survey results from PROSPECTS Iraq, self-employed refugee and host community members who went through BDS and/or financial education reported currency and price fluctuations, lack of adequate capital and increased production costs as leading challenges they faced in starting and expanding businesses.[53]

The ILO's wider approach to BDS is to build the capacity of business development service providers and networks of trainers to serve entrepreneurs in their communities.[54] The organization's enterprise training tools, including those listed in the table above, are adapted to country contexts and target areas. This helps

49 "Business Development Services include training, consultancy and advisory services, marketing assistance, information, technology development and transfer, and business linkage promotion." Committee of Donor Agencies for Small Enterprise Development, *Business Development Services for Small Enterprises. Guiding Principles for Donor Intervention*, 2001, 1.

50 For more information on SIYB, see www.ilo.org/siyb.

51 Cooperatives are a type of enterprise that reflect values of self-help, democracy, equality, equity and solidarity. A set of training tools is established to help cooperative development. These sets of tools are covered in greater detail in the chapter on cooperatives and the wider social solidarity economy.

52 ILO, *Small Matters: Global Evidence on the Contribution to Employment by the Self-Employed, Micro-Enterprises and SMEs*, 2019.

53 ILO PROSPECTS Iraq, "Impact of Training and Financial Services on Beneficiaries: Rapid Tracer Study", 2023 (unpublished).

54 ILO, *What Works for Sustainability in Entrepreneurship Training Delivery? A Guide for Practitioners Based on Lessons from ILO's SIYB Programme*, 2021.

mould the content and training methods so that they are relevant and responsive to entrepreneurs' needs. These tools are also institutionalized at the country and/or community level, so that they can continue to be used after the project exits. This entails building the capacity of public and private business development service providers so that they can administer the training independently and embed it into their institutional mandate or business models. This chapter details a number of approaches identified across PROSPECTS to strengthen and operationalize BDS in order to support refugee and host community entrepreneurs.

7.1 Description and key approaches

PROSPECTS programming supported BDS providers and trainers to expand training and services to refugee and host community entrepreneurs. It also supported the development of BDS services within institutions already serving PROSPECTS target groups. Capacities were built in partnership with agencies capable of creating a multiplier effect among their members, such as federations of small and medium-sized enterprises (FSME) – as in Uganda and Egypt – and chambers of commerce and industry – as in Jordan and Iraq, respectively. The programme also worked with BDS trainers to establish and strengthen networks of BDS providers, including refugees. Training requests are received via the network of trainers and are overseen and managed by BDS. Working through local or community-based organizations, the programme built up local capacity to provide BDS. This approach enabled refugee and youth-led organizations to better serve their communities. In addition, it strengthened the capacities of government entities on BDS, so that such services could be operationalized nationally. Two case studies in this chapter – one from Egypt, involving the development and implementation of the DYB training tool, and the other from Uganda, involving a partnership with a refugee youth-led organization (RYLO) – illustrate the impact of these efforts.

1. Expanding BDS through membership-based organizations

In Uganda, PROSPECTS partnered with the Federation of MSMEs to expand BDS offerings in refugee-hosting areas. This tied in with efforts to promote membership of associations, particularly among rural populations. In Jordan, the project helped the Chamber of Industry (JCI) extend its services to MSMEs using SCORE training. In Iraq, the programme worked to institutionalize SIYB in the Chamber of Industry and then went on to train existing members on the IYB module. Membership-based associations were highly familiar with aspects of the local business environment, including business regulation and processes related to MSMEs and formalization. For refugee entrepreneurs, membership/based associations also provided an opportunity to build networks with other businesses.

In Jordan, before the JCI was certified to deliver SCORE training, the chamber's reach was largely restricted to serving larger industrial firms, despite the fact that more than 99 per cent of registered businesses in Jordan were MSMEs. While refugees were not among JCI members, they did comprise a considerable share of employees, while also serving as a customer base. In Uganda, the Federation of MSMEs was largely absent in refugee-hosting districts, despite the presence there of large numbers of informal refugee and host community MSMEs.

An early programme intervention in 2019 involved training a cohort of Ugandan trainers on SIYB in the areas where PROSPECTS planned to operate. The aim of this was to expand training to both refugees and host community members in Isingiro and West Nile. However, soon after PROSPECTS launched, the COVID-19 pandemic emerged, triggering lockdown measures and supply-chain disruptions. These shocks threatened small businesses in particular, as they lacked resources to mitigate and adapt to the effects. The programme shifted focus from business development to business continuity and job retention among existing microenterprises. The programme partnered with the Ugandan FSME to deliver cash grants and training to refugee and host community MSMEs. The cash injections into existing refugee and host community microbusinesses helped them maintain business operations during periods of lockdown,

as well as to adopt the governmental safety and health measures that were required to stay open. As the pandemic eased, a diagnostic exercise was undertaken with stakeholders, including the Office of the Prime Minister and the FSME, to assess enterprise needs. It recommended follow-up measures to support formalization, highlighting how crisis has a more severe impact on informal MSMEs, which don't have access to the government support and financial products available to registered businesses.

While financial support is typically provided *after* BDS training, in the context of the pandemic, the microenterprises in Uganda received cash grants at the outset, so they could maintain their businesses, while also building capacity in terms of business continuity. The cash injection also provided an entry point to support their formalization with the FSME. Further government-issued COVID-19 financial support for businesses was only made available to formally registered businesses, thereby increasing the incentive to move towards formalization.

As well as the FSME, the programme team partnered with the Uganda Women Entrepreneurs Association Limited (UWEAL) to roll out SIYB and GET Ahead training in the Rhino and Nakivale settlements. Like the FSME, UWEAL is a membership-based organization, representing some 80,000 female-owned small, medium and large businesses in Uganda. The refugee and host community female entrepreneurs who were supported by UWEAL under PROSPECTS were also registered as members, so they were able to avail of a support structure and network in the long term.

In Jordan, the programme built on its long-standing partnership with the JCI to adapt and expand its services to MSMEs, taking a sector approach to target a small number of MSMEs in the agri-foods sub-sector. Refugee-owned businesses in the country were limited, owing to restrictions on registration of businesses by non-nationals[55] – JCI members that *were* non-nationals were large firms. PROSPECTS targeted firms in the agri-food sector because it was relevant to the JCI and included refugees as both employees and customers. PROSPECTS added targeting and selection criteria, requiring participating MSMEs to employ or serve refugees.

To improve productivity, competitiveness and working conditions among agri-food MSMEs in Jordan, 15 selected firms underwent a capacity and needs assessment. Each benefited from grants and coaching that addressed three key areas identified in the assessment, namely machinery, marketing and product certification. After adapting the SCORE tool, JCI staff and five national consultants associated with JCI were trained as SCORE trainers. This was the first SCORE training delivered under PROSPECTS. The training of trainers involved classroom training and practical application of skills to advise the targeted MSMEs, with oversight by an international consultant. JCI and the programme team developed a sustainability strategy from the outset, the idea being to form a committee within the JCI, referred to as the "productivity improvement committee". It involved the trainers who had been trained, with a view to keeping them engaged in the SCORE methodology and promoting further institutionalization of the tool.

2. Supporting networks of BDS providers

In Ethiopia and Uganda, well-established trainers and master trainers came together to form networks, so that they could better organize and respond to BDS training requests. In Uganda, this arrangement predated PROSPECTS and was developed under two separate ILO projects targeting youth entrepreneurship and female economic empowerment.[56] The model served as an inspiration for PROSPECTS Ethiopia, which drew on the network and youth fund to support business development in refugee-hosting areas. In Uganda, the Business Development Service Providers' Network (BDSPN) was established in 2015, based on the idea that, instead of competing for work, certified trainers could bid for training consultancy as an association. Prospective clients, including the ILO, had a single contact point for training, rather than having to contract multiple master trainers and trainers. There were also built-in

55 In Jordan, regulations require businesses to be majority owned by Jordanian business partners. Some exceptions have been granted for refugees to run home-based businesses, which could be formally registered. De facto barriers, such as property ownership or proof of approval from the property owner, limited the impact of this exception.

56 In Uganda, the Business Development Service Providers' Network was supported by the ILO as part of two projects: Youth Entrepreneurship Facility (2014–2016), funded by the European Commission, and Women Entrepreneurship Development and Economic Empowerment (2014–2015), funded by Irish Aid.

oversight mechanisms within BDSPN for quality control, contracting and administration. Once trainers are certified as BDS trainers in Uganda, they can join the network, which has grown under PROSPECTS to include refugee trainers within settlements and surrounding districts.

Also in Uganda, ILO PROSPECTS supported the training and certification of refugee trainers, who could more easily serve refugee settlements. BDSPN serviced a contract to work in Nakivale and West Nile and build the capacity of 40 refugee trainers in SIYB and GET Ahead. The refugee-led organizations (RLO) Unleashed and Stand for Change and Unity – see subsection 3 and 4 below – had their founders certified as SIYB trainers by BDSPN.

In Ethiopia, BDS providers were inspired by the Uganda and model and formed an association of certified ILO SIYB and GET Ahead trainers and master trainers. The association handles training requests and disseminates the opportunities through their network of trainers. As a self-sustaining structure, it charges clients for training. The association manages the workload and facilitates additional knowledge-sharing and learning opportunities among trainers. In subsequent years of the PROSPECTS programme, the ILO worked with the network to expand SIYB and GET Ahead training.

The pooling of expertise into a network meant that certified trainers were easier to find and contract, and quality was assured thanks to the collective nature of the undertaking. Trainers were concerned not only with the quality of the training they provided but also with how the training reflected on the BDSPN as a whole. Master trainers in BDS networks were able to certify other trainers using ILO tools, extending the reach of ILO-certified training.

3. Partnering with refugee-led organizations to expand BDS

Community-based organizations (CBO) were also instrumental in PROSPECTS countries to provide BDS for refugees and host community entrepreneurs. These included CBOs that were both refugee and youth-led (RYLOs). Because these organizations were made up of members of the PROSPECTS target group, they were particularly instrumental in adapting the training content and methods of delivery, as well as in reaching and mobilizing the target group. The leaders of Unleashed and Stand for Change and Unity, both of which are refugee youth-led organizations in Uganda, were trained in SIYB and GET Ahead, and later became trainers. In Ethiopia, through a Youth-to-Youth Fund, youth-led organizations were supported to address challenges faced by their communities. One of these organizations, Safe Light Initiative, provided entrepreneurship, employability and leadership training to young people in its community. Through PROSPECTS, it successfully applied for a US$10,000 competitive grant, which it used to scale up BDS within the organization and help young refugee entrepreneurs start new businesses or improve existing ones.

In both Uganda and Ethiopia, refugee youth-led organizations were already established and providing services to young people in their community. In the case of Unleashed, two brothers from a refugee background started an initiative to help fellow young refugees living in the Nakivale settlement develop business ideas and produce prototypes. Another RYLO in Uganda, Stand for Change and Unity (SCU), was supported to extend SIYB to young refugees in its community. Initially, SCU had provided English-language classes to refugees from Francophone and Swahili-speaking countries and regions. Over time, it realized there was a desire among young people to start their own enterprises; subsequently, it started to deliver training in entrepreneurship and ICT. PROSPECTS supported the training of SCU leaders as SIYB trainers, so that they could enhance both the quality and reach of their BDS.

The RYLOs were partners in the joint efforts by the ILO and UNICEF to merge their respective models of support for young entrepreneurs. Building on a social entrepreneurship education programme run by UNICEF, the RYLOs supported both organizations in integrating SIYB, focusing on the modules for starting up businesses. What became known as integrated UPSHIFT (i-UPSHIFT) supported young entrepreneurs in the Nakivale and Rhino settlements to develop business ideas based on community needs. While RYLOs did require greater oversight and guidance in terms of contracting and administrative processes (for example, invoicing and record-keeping), being given this opportunity by the programme meant it was also able to build additional capacity to bid for and implement other donor-funded projects in the future.

In Ethiopia, PROSPECTS developed and operationalized a grant scheme for youth-led initiatives called the Youth-to-Youth Fund. The model is part of a global investment programme that aims to support economic development through youth-led initiatives. The Fund accompanies young people as they analyse challenges in their communities related to employment. A grant competition screens youth-led proposals that address challenges in innovative ways. The Youth-to-Youth fund supported ten youth-led organizations in Ethiopia to develop and/or scale up initiatives that supported young people in their communities with employment and business development. Through this support, the organizations reached 1,000 aspiring entrepreneurs, helping them start and/or improve their businesses. An initiative led by the Hansoor Youth Organization set up a garment centre in the Kebribeyah settlement, where young people could receive vocational training. In collaboration with the regional government, SIYB training was also provided for 30 young people, together with seed funding to start their businesses with the support of Hansoor. The Safe Light Initiative, led by young host community members, provided start-ups and SMEs with training, access to finance, shared office space and internet connection. It worked with PROSPECTS through the Opportunity Fund to better engage refugee youth in their community. Operating from Addis Ababa, the Initiative also advocated for an inclusive business start-up policy in Ethiopia.

In Uganda, RYLOs were trained and certified as SIYB trainers, so that they could use SIYB to expand BDS. In Uganda, one of the key adaptations to the SIYB modules was to address people with low levels of literacy and numeracy. This was achieved by simplifying the tools, using more graphics and pictures, and relying on games. The RYLOs in Uganda also supported Village Savings and Loans Associations (VSLAs) to help young people in their communities build savings, while, in Ethiopia, the Safe Light Initiative facilitated access to finance for those without collateral, in partnership with the Synergy Youth Investment Group (SYIG). SYIG provided loans to cooperatives without collateral but, by negotiating, the Safe Light Initiative and PROSPECTS managed to get the Group to expand its interest-free loans to SIYB training graduates.

4. Institutionalizing BDS

Given the wide reach of the ILO business management training programme, there were, in a number of PROSPECTS countries, already institutions that had adopted the ILO's enterprise training methods. This was the case with the BDSPN in Uganda, for example. In other contexts, where ILO training tools had not yet been institutionalized, greater emphasis was placed on building a network of trainers through government institutions.

In Iraq, PROSPECTS collaborated with the Ministry of Labour and Social Affairs (MOLSA) to train staff on SIYB and facilitate its expansion through MOLSA's vocational training centres. These centres were dispersed across the country, thus providing a foundation on which to build. While this expansion of MOLSA services through SIYB started in the Kurdistan region, which is home to the largest number of refugees, the Federal Government requested that staff be trained to expand the model nationally. Because this was outside PROSPECTS' geographical area of focus, the programme sought donor approval, which was granted as a measure to support wider national capacity-building efforts. The SIYB programme was thus expanded to include 14 national trainers from various vocational training centres across Iraq.

In Lebanon, PROSPECTS supported employment and business development in the agriculture sector, in partnership with the Ministry of Agriculture (MOA). Recognizing the seasonal needs of and specific risks faced by agricultural businesses, PROSPECTS Lebanon worked with the MOA to adapt IYB material to the agriculture business. Improve Your Agriculture Business (IYAB) was rolled out among a cohort of existing agricultural businesses, mainly farmers and agriculture input suppliers. Extension officers from the MOA were trained to deliver the training as part of their extension services. IYAB was accompanied by input vouchers for farmers provided through the UN Food and Agriculture Organization's farmer registry, which helps farmers and related agriculture businesses access materials during times of social, political and economic crisis. PROSPECTS later expanded the IYAB support to encompass a specific credit scheme for the agriculture sector. This is covered in greater detail in the chapter on financial inclusion.



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▶ Digitalizing refugee and host community businesses in Egypt

Egypt's digital transformation was accelerated by the COVID-19 pandemic, which forced the introduction of new services and business opportunities through e-commerce, digital services and platform work. These aligned with national initiatives such as Egypt Vision 2030. However, micro and small enterprises, including those run by refugees, faced barriers in fully availing of the benefits of the digital transformation. This was partly because of connectivity issues, lack of formal registration and low levels of digital literacy. To address these issues, PROSPECTS Egypt developed a complementary training tool to the SIYB core package. This included practical guidance on the digitalization of business processes and operations, including the use of e-commerce to sell products and/or services online. This was later adapted in Uganda and reformulated in Kenya to address issues related to data privacy and security.

DYB in Egypt covered the basic requirements and main steps for getting existing or future businesses online through three core modules:

- Developing an online presence
- E-commerce
- Digitizing business processes.

DYB targeted micro, small and medium-sized enterprises. Refugee and host community entrepreneurs who wished to participate were expected to have basic computer skills and be familiar with internet usage.

DYB was rolled out in Damietta, Greater Cairo and Alexandria, starting with a needs assessment and market research. These processes helped identify opportunities for digital adaptation in MSMEs. The training itself was accompanied by legal counselling, coaching, networking and specific technical guidance relating to the sector or area of business operation. The training also referred participants to additional social, health and livelihood services outside of PROSPECTS, facilitated by partnering INGOs.

While the programme wanted to make sure at least 30 per cent of its beneficiaries were refugee entrepreneurs, the practical barriers faced by the latter necessitated a more proactive approach. Generally speaking, Egyptian-run enterprises were more exposed to digitalization than those run by refugees. The latter also faced different vulnerabilities due to their inability to register businesses formally. In this respect, trainers had to cater to the different needs of the participating enterprises, highlighting the importance of dedicated business coaches and different follow-up support, such as legal counselling.

The relevance of DYB in refugee-hosting contexts was highlighted by the fact that the programme in Uganda adapted the tool and built on training it had delivered in 2023, called Digital Tools for Business Growth. Two SIYB master trainers were trained on the adapted DYB tool and went on to train 20 DYB trainers in PROSPECTS target locations. The programme in Kenya also made its own adaptation, drawing on content that highlights data protection and digital risks. ■

▶ Entrepreneurship training combined with support for youth employment in Uganda

Unleashed is a refugee youth-led organization (RYLO) in Uganda formed by two brothers from the Democratic Republic of the Congo. As a result of conflict in their home country, the brothers relocated to the Nakivale refugee settlement in the Isingiro district of Uganda. They started Unleashed in response to the sense of desperation felt by young refugees who lacked real prospects for the future in the refugee settlement.

Unleashed began developing a BDS training curriculum for young people, to support the generation of business ideas that addressed challenges faced by Nakivale residents. They first interacted with PROSPECTS during an SIYB training-of-trainers session targeting the development of refugee trainers. The two Unleashed founders ultimately became certified as master trainers. They subsequently joined the BDSPN, which gave them access to a wider range of training opportunities. They used the SIYB materials to enrich their own BDS offerings in Nakivale and upgrade the skills of refugee trainers.

The Unleashed master trainers later used their experience and knowledge to help the ILO and UNICEF integrate the former's SIYB curriculum into a social enterprise programme run by the latter. Through their participation in the joint ILO-UNICEF programme, known as integrated UPSHIFT (i-UPSHIFT), the Unleashed leaders developed modules called U-Ideate, to generate business ideas; U-Accelerate, to formalize businesses; U-Love, for digital entrepreneurs; and U-Leadies, which was designed as a stand-alone programme for women. They were ultimately contracted by the ILO to implement i-UPSHIFT in Nakivale, which provided them with practical experience in project design, implementation and administration.

In addition, the Unleashed leaders were trained under the ILO Global Programme on Financial Education, incorporating what they learned into their service offerings. They were further trained and certified as master trainers as part of the ILO programme Promoting Social Cohesion for Peaceful Co-existence through TVET. They used the master-trainer status to train local leaders, CBOs and young people in methods to facilitate social cohesion in training processes. They did so by targeting local football clubs in the Nakivale settlement, which were already bringing young people from different backgrounds together.

Working with PROSPECTS gave Unleashed further opportunities to enhance BDS and community services within the refugee settlement. This included practical experience as an implementing partner of the ILO. Unleashed leveraged resources and complementary work from numerous sources to augment its own BDS, as a business. For example, the organization runs a computer lab funded by the UNICEF social innovation programme, which it put to use in the ILO's digital skills training. Its lab is also used as a space for other INGO and UN programming, as refugees within the settlement lack reliable internet access.

Unleashed is an example of how an extremely motivated community-based organization can drive responsive programming. The BDS training curriculum was developed and adapted gradually, as the organization interacted with more young, aspiring entrepreneurs and became increasingly aware of gaps in services (such as financial services). The BDS model it has created is currently reliant on donors, although Unleashed does generate a small amount of revenue by charging fees for the use of computer labs. Its main client base comprises refugee entrepreneurs, who are largely unable to contribute financially to the services and so would depend on external financing in the long term. Moreover, the organization operates in a relatively closed economy, meaning the extent to which the enterprises they support can be scaled up is limited. Despite these challenges, the model provides intangible benefits, serving as an example for aspiring young entrepreneurs in refugee settings. It also demonstrates a model where refugee leaders were positioned as equal partners in programming. They were not only programme recipients, but involved in the design of project activities. They identified needs, led adaptation of tools and trainings and were instrumental in scaling up trainings through training of master trainers in their community. ■

7.2 Narrative and lessons learned

Operational lessons learned

A number of insights has been gathered from the experience of PROSPECTS teams in BDS. The following lessons cut across country experiences and offer insight into how BDS programming can be executed in forced displacement settings.

Limitations to expanding BDS in contexts of forced displacement

Programme teams engaged different types of partners to roll out and extend BDS. All shared the common approach of embedding and institutionalizing tools within partner organizations so that they could be applied continuously, independent of the ILO. This is in line with the ILO's wider approach to entrepreneurship to ensure sustainability and scale. It is important to highlight that, in some cases, the expansion of business services from national and regional institutions to refugees has been limited. This was often due to political constraints that restrict national actors from offering services to refugees, as well as limited capacity, including in terms of the number of trained facilitators and resources needed to reach remote areas.

In contexts of forced displacement, the incentive for institutions to continually serve refugee and displaced communities also needed to be considered. As mentioned, the remoteness of the areas where refugees and host communities reside was a factor, as was the ability of these communities to pay for BDS services. CBOs, such as Unleashed and SCU, were able to address the remoteness issue but still faced the challenge of the limited capacity of the populations they served to pay for their services. As highlighted above, these organizations relied on outside funding to provide BDS to members of their community, whereas other BDS providers – such as the BDSPN in Uganda – were able to charge fees, meaning their provision of services was less subject to the availability of external financing.

In many of the PROSPECTS operations, the delivery of services and training was outsourced to development actors, primarily INGOs, which had both the skills and capacity to reach and train refugees. However, the duration of these services for refugees and host communities was typically linked to the timelines and funding of implementation agreements with the ILO or subsequent donors. This creates significant challenges for long-term sustainability and achieving impact at scale.

Packaging non-financial and financial BDS

Because refugee and host community entrepreneurs face both financial and non-financial barriers to starting a business, several programme teams combined both financial and non-financial support. This also made the BDS training more attractive to entrepreneurs who were experiencing training fatigue in the face of an oversupply – particularly in areas with a larger presence of humanitarian and development partners – of skills training, BDS, financial education, social cohesion and other training offers. In Iraq, the programme team observed a trend whereby individuals were participating in training not to start or expand a business, but rather to occupy their time and benefit from daily allowances. To filter such participants out, BDS training was offered together with the provision of loan products as a follow-up, alongside financial education. The team found that by scheduling non-financial BDS training before the provision of financial services, those who intended starting a business ended up completing the training and accessing finance. The use of loans, rather than grants, also attracted entrepreneurs who were serious about investing in their own businesses and generating a viable business model.

Contextualizing and adapting BDS tools and approaches

Upon engaging at country level, the first task was to adapt BDS tools to make them relevant to the specific context. As a minimum, this involved translating them into the most commonly spoken languages, incorporating examples that held cultural relevance and aligning content with national legislative frameworks and policies (such as on business registration). Further adaptations were needed for application in specific sectors and settings, such as urban or in-camp settings, or the agriculture sector. A key adaptation made to all ILO enterprise training tools is for populations with limited literacy. In Sudan, for instance, an implementing partner supporting BDS estimated that as many as 25 per cent of trainees could not read and write, so the programme teams had to adapt the materials to feature less written content – by, for example, incorporating games and videos. This was also a key adaptation made by Unleashed in Uganda.

BDS tools were not only adapted but also had new modules and complementary guides added to increase their relevance and usefulness. These additions helped the programme tailor services to a specific theme or population groups. Based on the SIYB module, PROSPECTS in Lebanon adapted SIYB to the agriculture sector. Improve Your Agriculture Business training was offered alongside financial services to help farmers maintain their businesses in a crisis context. In Egypt, the team created the complementary SIYB training tool Digitalize Your Business, based on the emerging opportunities for MSMEs as part of Egypt's digital transformation. This particular case is interesting, because it was initiated by the programme team in Egypt but then adapted in Uganda and Kenya, with additional interest from Ethiopia. Each adaptation added components as the ILO became increasingly engaged in the digital space. For instance, as part of the latest adaptation in Kenya, modules were added on data privacy and digital risk. This shows nuance, not only in terms of the context where BDS tools were introduced but also PROSPECTS' experience supporting refugees and host community members in the digital economy.

Agility in responding to changing business needs and realities

In complex contexts, the reality faced by aspiring entrepreneurs and existing businesses can change rapidly. For example, in Lebanon, after the cumulative impacts of the Beirut blast, COVID-19 pandemic and currency crisis, the programme team shifted its approach from one focused on business start-ups to one that supported business continuity and job retention. The programme team developed a training and coaching programme around business continuity and resilience, to help business owners maintain operations and avoid laying off workers. In this case, cash grants became relevant for helping businesses cope. A similar change in approach was seen in Uganda, which partnered with the FSME as the pandemic hit and provided microenterprises with business grants to help them sustain business during periods of lockdown. Crises or economic downturns necessitate the adoption of more short-term approaches, such as one-off business grants. These can be accompanied by capacity-building and training, but the priority remains keeping the business open and individuals employed. Focus may also shift from encouraging aspiring entrepreneurs to keeping existing businesses alive.

The experience in Sudan, where SIYB training had also been initiated, demonstrated the connection to social enterprise development and cooperatives. As instability and civil conflict destabilized the business environment in the country, PROSPECTS supported the formation and strengthening of cooperatives. A similar focus was seen in Lebanon, where the programme team supported social solidarity initiatives amid the multiple crises. In both cases, such collective structures were able to pool resources and capacity to develop contextually relevant and socially driven business ideas. For instance, in Lebanon, the programme team supported a local initiative to create a common greenhouse space for farmers to grow seedlings. The initiative charged a small fee to farmers to use the space, which allowed it to cover basic costs while delivering a social good. Such cases are covered in greater detail in the chapter on cooperatives and the wider social solidarity economy.

An episode from the experience in Uganda also demonstrates how crisis can introduce opportunities for business formalization. During the pandemic, the government provided business grants but only to formally registered businesses. Consequently, small-business owners who had previously perceived business registration as a cost realized the benefits of formalization. Business grants were provided via the partnership with the FMSE, accompanied by awareness-raising regarding the benefits of joining business associations, particularly for entrepreneurs in rural areas, who may operate at a distance from markets and services. The PROSPECTS team took advantage of the window of opportunity the pandemic presented for formalization and created a training module, Formalize Your Business, in partnership with the International Training Centre. This focuses on helping businesses formalize through training and mentorship.

7.3 Sustainability

The ILO has identified the following three dimensions of sustainable training service delivery:[57]

1. **institutional** – ensuring that training entities have sufficient management and human resource capacity to continue service provision after the project ends;
2. **technical** – maintaining and improving materials, competencies and quality;
3. **financial** – ensuring costs are covered or recovered in an ongoing manner.

The core concept of the SIYB programme, for instance, is to train and certify SIYB trainers within local public and private organizations, enabling them to take ownership of the training programme and deliver SIYB training and related services in a sustainable and inclusive way. In practice, many projects face challenges in promoting entrepreneurship training sustainably, owing to logistical and accessibility issues in remote areas, political restrictions preventing public actors from delivering services to refugees and/or limited budget and human resources to support service delivery in these regions. Additionally, pressure from donors pushes projects to prioritize reporting high numbers of beneficiaries trained over showcasing broader contributions to improving the overall business environment and livelihood opportunities for refugees. These challenges frequently result in projects outsourcing the implementation of BDS interventions to NGOs and similar organizations, which may not be able or willing to maintain these services without continuous funding. Consequently, significant time and resources are spent building the capacity of institutions that ultimately do not sustain entrepreneurship training efforts in the long term.

ILO guidance documents[58] and experience can help project managers plan for sustainability and create effective sustainability strategies from the start. Sustainable service delivery often relies on collaboration among various public and private organizations leveraging their strengths. This approach requires an understanding of not only local organizations' capacities but also the incentive structures that drive their behaviour. Recognizing these incentives is crucial to understanding organizational actions. Additionally, projects often need to engage with partner organizations beyond basic training to strengthen their capacity and incentives for sustainable service delivery. Moreover, the aforementioned guidance documents on suitability strategies highlight the importance of exploring new partnerships, including with private sector actors, who may have incentives to provide these services on a commercial basis, such as through buyer-supplier relationships with entrepreneurs (see the chapter on market systems).

57 ILO, 2021.

58 ILO, 2021.

Working with established networks of trainers, as was the case with BDSPN in Uganda, provided a management and oversight structure to training that was owned by country-based service providers. Each network also included master trainers, which allowed them to expand their number of trainers across the country and to introduce quality control measures to the training processes. A focus of PROSPECTS in Uganda was to extend the network of refugee trainers under the BDSPN.

Working with national institutions, such as the FSME in Uganda or MOLSA in Iraq, requires that the institution's staff have time and capacity to support the continued provision of BDS. Staff in existing institutions will likely have to support competing tasks and training – including similar training with other humanitarian and development partners also carrying out BDS. Making sure there is sufficient time and budget available is critical to ensure that training is carried out and aligned with the intended methodologies. In some instances, this might require having more senior managers within the institution commit to allocating sufficient staffing time and resources.

Working with CBOs, including RYLOs, while not on a national scale, helped contextualize tools and support a continuous training process in refugee-hosting areas, as trainers were living within the community. However, because they *were* within the community, they often faced some of the same challenges as their trainees, including inability to afford the full cost of training and scale up businesses. In Uganda, both RYLOs were trained by BDSPN. In theory, this should open up more training opportunities, as the trainers are connected to a wider network.

The programme teams in Ethiopia and Uganda observed a need for greater investment in institutional capacity when working with RYLOs as BDS providers. While the upfront cost and time required were high, in terms of explaining contracting processes, record-keeping and finances, once this capacity was developed, the organizations were proactive in applying for and finding additional opportunities to expand BDS for their communities. In Iraq, the programme team worked with local BDS providers, who continued using SIYB after PROSPECTS supported training of their trainers. Having SIYB certification constituted added value, as they could mention it in funding proposals. To support the continued use of the trainers' skills, the programme team in Iraq also shared a list of SIYB certified trainers with larger funding partners, such as UNDP and WFP. They also encouraged these organizations to include SIYB as the desired training method for their BDS activities, thus generating additional demand for the trainers' skills. However, reliance on a small number of highly motivated individuals is also a risk. Unleashed in Uganda is largely driven by the initiative of a few committed individuals who are also championed by other INGO and UN agencies engaged in BDS. There are other BDS training methods on the market that these actors can deploy based on demand from funding organizations.

Financial sustainability of BDS training remains a challenge. Over time and independently of PROSPECTS, the ILO has developed funding models to continue services with limited reliance on external financing. The intention is that an SIYB institutional capacity assessment is conducted at the outset of SIYB interventions, to determine if the partnering institution can afford to continue delivering training after the project ends. Other solutions suggested include training financed by the public sector, either as part of the governmental budget, or earmarked under special programmes that promote entrepreneurship and start-ups. From experience, larger institutions may have dedicated budgets to support ongoing BDS, but SIYB may compete for attention with other training methodologies used by these institutions. Training can also be financed by the private sector, either as part of corporate social responsibility efforts or out of commercial interest in developing a market and intermediaries for its services. Mixed approaches can also see organizations work together to co-finance or match contributions.[59] Financing options should feature in the design of BDS training from the outset. When programme teams roll out BDS with national institutions or ministries, any assumptions about financial sustainability should be clarified and mutually understood during the inception phase.[60] The human resource and financial costs of ongoing support to or mentoring of SMEs should be identified and addressed in this process.

59 ILO, 2021.

60 ILO, 2021.

7.4 Integration with other areas of work

BDS is an area of ILO work that requires integration with other ILO pillars for supported enterprises to take off. Without an integrated approach, it is unlikely that trained individuals will be able to translate their knowledge into businesses or expand their existing businesses. This includes a holistic enterprise development support system, connected to financial services, but it can equally integrate with areas related to EIIP and as part of value-chain development.

The first, and perhaps most critical, integration is with financial education and financial services. Financial Education (FE) is an ILO tool in its own right, used to support people to make informed decisions about their finances. Many of the skills taught in the SIYB tools – cost of sales, keeping records, stock control, etc. – assume a level of financial literacy that may not exist. In such situations, FE may need to precede SIYB, as happened with some target groups in Iraq. Improved financial literacy will improve the uptake of SIYB skills and their application in SMEs.

Access to finance is also essential for businesses to become established and grow. Many refugees face limited access to banking and financial services, owing to a lack of documentation and of products and services appropriate for their needs. In the absence of access to commercial banks, viable alternatives include microfinance, savings and loan cooperatives (SACCOs) and VSLAs, as demonstrated in Uganda, Iraq, Lebanon, Kenya and Uganda (see the chapter on financial inclusion). In all instances, the partnering financial service provider was also trained in SIYB or related BDS approaches. In Sudan, the BDS partner leveraged its own experience to refer trainees to local microfinance institutions (MFIs) and an agricultural bank. The beneficiaries of these referrals had completed SIYB and FE training and thus had the knowledge and skills to make informed financial decisions. In Ethiopia, the Safe Light Initiative negotiated access for SIYB and FE graduates to interest-free loans from the Synergy Youth Investment Group. Financial literacy, whether through FE training or proven existing knowledge, was also a prerequisite for entrepreneurs in Iraq to access loan products through the partnering banks. In Lebanon, the adapted IYAB training package was used in tandem with a blended financial product. This helped farmers improve agriculture management practices, while obtaining loans to support their farms.

The third integration is with cooperatives and social and solidarity economy (SSE) enterprises. While some training providers, such as FSMEs and BDS peer networks, may find it challenging to provide BDS support to cooperatives, because they are outside their membership, crisis and post-crisis contexts lend themselves to the creation of such community-driven initiatives. In Lebanon and Sudan, for example, programme teams invested in SSE and cooperative development when these countries' economies collapsed. MSME owners and entrepreneurs may benefit from operating in a cooperative structure, which can support the pooling of resources and risk-sharing. A cooperative formation will also increase willingness of service providers, including commercial banks, to work with entrepreneurs who might fit into higher-risk categories. This was seen in Ethiopia's efforts to issue commercial bank loans, where banks dealt with cooperatives, rather than individual microenterprises, as a risk-pooling measure.

An additional integration approach sees BDS positioned within value-chain development. Here, BDS service providers support actors along the value chain to establish and scale up enterprises. In Ethiopia, the programme team supported the development of enterprises, including social enterprises like cooperatives, as part of the work to develop dairy value chains. In Sudan, a pilot in the groundnut value chain also provided SIYB training to groundnut producers who were grouped into producer associations so that they could more easily reach scale in production and access markets.

Finally, BDS can also support construction contractors who are involved in employment intensive investment programmes (EIIP). As noted in the chapter on EIIP, contractors are local businesses. They can also benefit from BDS to manage and scale their operations. The ILO already supports contractor training from the perspective of increasing capacity to bid for EIIP contracts, but contractors can also benefit from BDS. In the case of Iraq, another link with EIIP was forged, as EIIP workers interested in starting their own construction-related businesses were referred to SIYB training. EIIP was also deployed to rehabilitate Ministry of Youth and Sport youth centres, from which SIYB training was being run.

7.5 Challenges

As with many PROSPECTS interventions, the issues of cost and time pose a challenge to the continuous provision of services. Many BDS providers rely on external financing and are donor-driven, meaning they employ tools and approaches as dictated by funding institutions. This means that if the methodology is too costly, it is less likely to be deployed continuously. ILO BDS tools are intensive in terms of both time and resources, requiring that the trainees and the institution follow a weeks-long training process that increases the likelihood of business start-up and expansion. Some programme teams used a modular approach and adapted training schedules to either condense training times, or deliver them across a longer period in shorter sessions. While this didn't necessarily bring down costs, it structured time based on the preference of the target group and training institution.

Challenges also relate to the use of other BDS training tools and approaches. From a donor perspective, approaches that showcase large numbers can be more attractive, even though the impact of training in terms of businesses started and sustained is not easily demonstrated or always evident in the project's life cycle. Over time, the ILO's BDS tools have been evaluated on the bases of businesses set up and jobs created, gaining the tools recognition internationally. For instance, in Viet Nam, 56 per cent of female-owned businesses that had undergone SIYB training hired new employees in the months following that training. However, numbers are still a key factor in funding decisions, and in crisis contexts, where immediate impacts are in high demand, other rapid types of training and cash grant might be favoured.

The ways in which other BDS providers incentivize participation can also raise expectations among the target group for the likes of high daily allowances, seed finance and related benefits. Overly generous incentives can also attract participants who do not intend to start or expand businesses, but rather are primarily driven by cash incentives to attend training. This is a phenomenon witnessed especially in displacement contexts, where there is an oversupply of business and skills training. It is critical to distinguish the programme in such cases and ensure prospective participants understand that their participation is based on their intention to pursue business. In most cases, it is recommended that any financial component, such as loans or credit, be scheduled after the training is complete.

The sustainability of enterprises started by refugees and host community members is also a consideration. Building businesses takes time and requires ongoing support, particularly for new businesses and those with few resources. If new MSME owners hit a challenge they cannot overcome, or they are not making as much income as they initially thought (such as during the pandemic), they may need additional support to continue. Experience also shows that one-off cash grants are not sufficient to maintain businesses, particularly in volatile contexts that are characterized by shocks. Businesses require non-financial BDS and encouragement as they encounter difficult financial periods during start-up. The provision of finance itself also requires sustained access through credit and loan institutions, accompanied by close monitoring and follow-up.

In Lebanon, the programme team monitored MSMEs that were supported through training, grants and loans. The findings indicated that, after two years, only 50 per cent of those who received training and grants stayed in operation. Those who obtained loans showed more resilience, with just 8 per cent of these businesses having closed in the two years. The provision of cash grants worked best when there were MSME experts involved to analyse business plans and reinforce sustainability plans in light of evolving crises.

The agility of the programmes in Uganda and Lebanon to shift programming towards business continuity and more humanitarian types of cash support might be needed to weather the storm during unforeseen crises. Long-term resilience will likely require longer periods of support, but this also introduces a trade-off, as the programme wouldn't be able to reach as many new enterprises if it also needed to maintain focus on already supported businesses. This again speaks to the challenge of reaching large numbers.

Key takeaways

- Refugee and host community entrepreneurs operate in environments where markets are generally scarce and formal job opportunities limited. This is especially true for refugees, who frequently encounter distinct and heightened obstacles to accessing the host country's labour market.
- Working with national institutions to deliver BDS requires that the institutions' staff have time and capacity to support the continued provision of business services. Staff in existing institutions will likely have competing tasks and training to support.
- Sustainability plans need to be identified upfront with partnering BDS providers, focusing on how quality training can be continued after the intervention, and whether public and private resources can be relied upon.
- Refugee youth-led organizations and CBOs are key in contextualizing BDS and, in some instances, providing them to businesses in their communities. This can also require more time and resources for building the capacity of these organizations in terms of administration and financial management. However, if upfront investments are made in building their capacity, it will localize BDS service delivery in the medium and long term.
- The pooling of expertise into a BDS service provider network allows certified BDS trainers, including refugees, to organize under a single entity. Requests for BDS training can be served from one point of contact, with oversight and quality control measures in place. It also gives trainers access to knowledge-exchange opportunities and continual capacity-building. Expanding such networks to include refugee trainers allows BDS to expand into refugee-hosting areas.
- To enable entrepreneurs to put their skills into practice through business development, the provision of financial products is usually necessary. Scheduling non-financial BDS before the provision of financial services is generally advisable, so that a perceived financial benefit wouldn't be the sole driver for entrepreneurs to pursue BDS.
- During times of crisis, when economic shocks are likely to have the greatest impact on MSMEs, focus may need to shift towards business continuity and measures for resilience, rather than new business start-ups. Direct financial assistance in the form of grants and vouchers may also become necessary in the crisis and immediate post-crisis stages.
- Where business registration is feasible for forcibly displaced populations, incentives such as loans can help move MSMEs along a formalization process. However, there is also cause for caution in linking formalization to the provision of financial services, if this is not accompanied by capacity development.


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Financial inclusion

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Financial inclusion enables members of groups who are traditionally left outside of formal banking systems to access financial services through formal and informal financial service providers (FSPs). At the national level, it requires legislation and policies that make finance accessible to all segments of society, including refugees and other forcibly displaced people. Financial products and services also need to be adapted to the financial realities and needs of these populations, so that such variables as limited capital and assets do not exclude them from financial systems. At the same time, refugees and host community members need to acquire financial literacy and skills, so that they can confidently engage in financial markets.

Besides limited assets, other reasons why refugees, in particular, face difficulties accessing finance include lack of nationally recognized documentation required to open a bank account,[61] lack of bank branches in or near the settlements and/or camps in which they reside and their temporary status in the host country. Traditionally, people with limited capital, including refugees, have been perceived as high-risk clients by FSPs, who believe they will be unable to repay loans or interest on credit. However, excluding refugees, IDPs and members of host communities from financial services can be more detrimental to economic growth and self-sufficiency in the long run. Access to finance enables autonomy and the pursuit of livelihoods, whether it be as an employee or entrepreneur. It allows these populations to invest in their local communities and live more productive lives.

8.1 Description and key approaches

PROSPECTS' programming worked closely with policymakers and FSPs to create a more enabling environment for including refugees and host community members in financial systems. This included a review of requirements to open bank accounts, take out loans and access credit. It also involved working with FSPs to adapt products and services to the needs and realities of the target groups. Although the ILO already had extensive experience in adapting financial services to the needs of vulnerable groups prior to PROSPECTS, serving displaced people required adapting existing approaches to account for some of the specific challenges mentioned above.

Assessments of challenges on both the demand and supply sides helped lay a foundation for financial inclusion initiatives. On the supply side, the programme started by mapping financial services providers in the country and/or locality, as well as the financial regulations as they applied to the inclusion of refugees and/or IDPs. It also considered the need of refugees and host community members to access financial services (demand side) and the challenges they faced in doing so. In some countries, such as Iraq and Ethiopia, a high level of distrust was found between financial institutions and members of the target groups, while mapping on the supply side revealed a large gap in tailored products and services that would allow refugees, IDPs and returnees to participate in financial systems.

The programme's financial inclusion interventions took two distinct approaches. One involved intervening on the demand side, to develop financial literacy and knowledge of financial products among refugees, IDPs and host community members. In all countries, refugees and forcibly displaced people had limited knowledge of financial services and experience of interacting with formal financial institutions. Those who had been internally displaced were generally more ready and willing to engage with formal financial systems. The second approach focused on the supply side, working with policymakers and FSPs to enhance understanding of the financial realities of the target groups, develop/amend policies governing their access, and develop and pilot tailored financial products to enhance access. In Kenya, Uganda, Jordan, Egypt and Iraq, there was no explicit legislation or policy on access by refugees and forcibly displaced people to financial services, and issues related to Know Your Customer (KYC) requirements and refugee recognition impeded access in some cases. In all cases, banking policies and requirements served as practical barriers to refugees accessing financial services – even in Ethiopia, where the Refugee Proclamation guaranteed refugees the right to open bank accounts and access financial services. In practice, however, barriers such as the need to have nationally recognized documentation impeded their access. In contexts where the financial markets were less developed and nationwide financial inclusion indicators were very low, such as in Iraq, PROSPECTS intervened on both the supply and demand sides simultaneously.

61 Know Your Customer requirements (KYC) refer to minimum sets of identifying information used by financial institutions, typically commercial banks, to determine a client's risk level and to comply with anti-money laundering laws.

Through these two mutually reinforcing approaches, PROSPECTS tailored financial education and capacity-building measures and piloted new and innovative financial products for those operating in forced displacement contexts. Ultimately, both the supply- and demand-side interventions intersected in the financial market, as refugees, IDPs, returnees and host community members became clients of FSPs, using tailored products and services. At the same time, FSPs became familiar with the new client groups and trust built up through repeated interactions.

1. Building financial literacy and awareness

Refugees, IDPs and host community members face similar challenges in that their exposure to financial services is limited and they lack financial literacy, the latter being a key prerequisite to engage productively with FSPs. Moreover, these groups tend to rely on cash and informal forms of finance, such as borrowing from friends and family. In some cases, such as in Uganda and Kenya, informal savings groups, like Village Savings and Loan Associations (VSLA), had exposed refugees and host community members to basic financial concepts. This was a starting point from which to enhance knowledge and formalize financial transactions. In other contexts, informal savings groups were not as prominent and the population in general lacked basic financial literacy. This was particularly the case for certain sub-segments of the population, such as women, especially in Iraq. In such cases, financial education was used to build up people's knowledge of and confidence in making financial transactions and building/managing relationships with banks and financial institutions.

In most instances, awareness of and trust in formal financial institutions were low. The banking sector in several of the countries had a history of collapsing, with the result that people were reluctant to entrust their money to banks. In Iraq, for instance, host community members recalled relatives losing money when the banking system collapsed in the 1980s and, again, in 2014. More recent experiences in Lebanon created similar attitudes. FSPs, for their part, were reluctant to issue credit and loans to people who did not have the capital to support repayments. This concern is not unique to FSPs in PROSPECTS countries, but it is more pronounced, given the size of the populations in these countries with limited or no proof of assets, or a weak credit history.

A starting point for building the trust and confidence of refugee and host community members in financial institutions was financial education (FE). Iraq was the first PROSPECTS country to leverage the ILO's Global Programme on Financial Education and adapt an associated set of financial education training materials. This featured content translated into Arabic and Kurdish, as well as characters and stories adapted to the local context so as to effectively convey the meaning of such topics as goal-setting, savings, budgeting and record-keeping. The predominantly Muslim population also required that certain concepts, such as loans, were articulated in a way that complied with Sharia law.[62] As an outcome of this adaptation, PROSPECTS Iraq helped produce the first Arabic and Kurdish versions of the training manual *Financial Education for Refugees, IDPs and Host Communities.* Similar adaptations were later made in other PROSPECTS countries and were used to facilitate FE in Lebanon and Egypt, for example.

In all countries, the roll-out of FE required a network of locally based trainers and partner organizations. Trainers were certified through a three-step process: training of trainers on FE content and methodology; replicating this training for beneficiaries, with oversight by certified regional trainers; and a certification workshop. Trainers came from national institutions, as well as international organizations, business development service providers and NGOs. National institutions usually had an interest in rolling out FE to support national initiatives to extend access to finance. For instance, in Iraq, FE was launched to support the One Trillion Initiative, a national programme aimed at providing financing to micro, small and medium-sized enterprises (MSMEs). Staff members from the Central Bank of Iraq (CBI) and the Iraqi Company for Bank Guarantees (ICBG) received training, alongside personnel from commercial banks and microfinance institutions (MFIs). Similar to other ILO methodologies, implementing partners were also trained as trainers to enhance local support. This approach allowed them to help staff of national institutions implement the programme, as they often had competing priorities from their daily responsibilities.

62 Sharia law refers to religious law derived from the Quran.

An important aspect was to identify training partner(s) who could access refugee and host communities, particularly in instances where FE was planned inside refugee camps and settlements, such as in Kenya, Ethiopia, Iraq and Uganda. In the first three of these countries, approval processes are required to be followed to enter into camps and settlements, which can be time-consuming. For example, in Iraq, a partnering MFI was unable to access refugee camps in the Kurdistan region, even with support from UNHCR in dealing with the Department of Security in Dohuk. In Ethiopia, a partnering bank did have access to the Jigjiga camp but had to obtain additional clearance when it altered the types of services provided. In Uganda, on the other hand, refugee-led organizations (RLOs) proved to be instrumental partners in helping the programme deliver FE within settlements, as there was no clearance process to access them.

A secondary consideration in the training of trainers was the selection of candidates who could help institutionalize FE nationally. In Ethiopia, Uganda, Kenya and Iraq, central banks and networks of microfinance institutions were instrumental in adapting and implementing FE, typically providing insight for the adaptation of training materials and overseeing implementation. Training staff from national institutions in FE provided them with a deeper understanding of the programme and its potential to advance inclusive financial systems. In Egypt, PROSPECTS trained staff from the Ministry of Youth and Sport (MOYS) as FE trainers, who then supported the roll-out of FE in MOYS youth centres. In Ethiopia, the programme adapted and rolled out FE with the support of the Association of Ethiopian Microfinance Institutions (AEMFI), which helped reach a wider network of MFIs (see case study on next page). These partners served as multipliers in disseminating the methodology.

FE training was typically conducted as part of PROSPECTS' broader enterprise development initiatives. This integrated approach aimed to create an enabling environment by tailoring and combining FE tools to meet the specific needs of different contexts and target groups. By embedding FE within a wider enterprise support framework, PROSPECTS ensured that participants not only gained essential financial skills but also benefited from complementary resources, fostering sustainable economic growth and resilience among small enterprises. This enabled entrepreneurs to develop knowledge and the capacity to invest in their business ideas.

FE was offered alongside non-financial Business Development Services (BDS) training, such as Start and Improve Your Business (SIYB) and GET Ahead. This approach allowed individuals who had limited financial knowledge but were interested in starting or expanding a business to participate in FE. Likewise, those who completed FE and had ideas for a business start-up or expansion could then enrol in SIYB or other relevant training. This pathway equipped entrepreneurs with a clear understanding of loan terms and repayment conditions, enabling them to make informed borrowing decisions.

In Iraq, loans were issued to FE graduates based on the quality of business plans they produced after completing the SIYB training. Sequencing this with the FE component was critical, given the low financial literacy levels in the country. In Ethiopia, FE was a prerequisite for taking out loans from the partner Shabelle Bank. In Ethiopia and Uganda, FE was a factor in business-plan competitions, as it provided MSMEs that had received start-up capital with the knowledge to make informed decisions on business investments.

A valuable lesson learned was the trust-building effect created during the training phase itself. As some of the trainers were representatives of financial institutions, the training fostered direct ties and trust between participants and these institutions. Participants began to view financial institutions as less intimidating, while the institutions saw that the participants posed less of a risk and had stronger business foundations than initially anticipated. This mutual understanding helped establish a positive relationship early on, paving the way for successful financial engagements.

2. System strengthening

Prior to PROSPECTS, many FSPs in the countries in which the programme works had limited to no experience serving clients from forced displacement backgrounds. The latter were perceived by FSPs as lacking financial skills, collateral and the ability to repay loans on time. Some assumed that refugees could not legally open bank accounts or avail of financial services.[63] Additionally, there was a strong perception among FSPs that refugees were a high "flight risk", as they failed to realize that many refugees were in protracted situations

63 In PROSPECTS countries, there are no clear laws forbidding refugees from opening bank accounts. Rather, it is bank policies and procedures that serve as de facto barriers.

▶ Financial education and micro-insurance with the Association of Ethiopian Microfinance Institutions

The Association of Ethiopian Microfinance Institutions (AEMFI), established in 1999, is a non-profit, non-governmental body promoting microfinance in Ethiopia. With a network of 52 member MFIs, the AEMFI provides a platform for knowledge exchange, advocacy, capacity-building and performance monitoring, all of which focus on delivering financial services to vulnerable communities, including refugees and host communities.

In 2021, AEMFI and several of its member MFIs participated in the ILO training *Making Finance Work for Refugees, Displaced and Host Communities*. This capacity-building programme was designed to equip financial institutions with tools to serve forcibly displaced populations. The training focused on adapting financial services to the unique needs of refugees and host communities and explored strategies to address financial inclusion challenges in underserved areas. Through practical guidance and the ILO's inclusive methodologies, AEMFI members gained essential skills to support refugee financial inclusion, highlighting a commitment to socio-economic integration.

In parallel, the AEMFI also championed the institutionalization of financial education within its network. Through the ILO's *Financial Education Programme*, member MFIs have implemented comprehensive financial literacy initiatives that help individuals and families understand essential concepts in savings, budgeting and debt management. The AEMFI has played a central role in expanding financial education through training trainers in the ILO's FE programme, enabling the development of a robust network of national and regional trainers. By leveraging the ILO's structured training materials, which cover core financial literacy principles and adaptive strategies for refugees and host communities, the AEMFI ensures that trainers are well-equipped to educate diverse client groups in managing their finances sustainably.

Additionally, the AEMFI and the ILO, recognizing the need for risk mitigation and financial security, collaborated to introduce microinsurance as a valuable addition to MFI service portfolios. This initiative aligned with recent regulatory changes introduced by the National Bank of Ethiopia, under which MFIs are mandated to offer microinsurance to safeguard movable assets, often pledged as collateral. Microinsurance, which is especially critical in high-risk sectors like agriculture, addresses both borrower vulnerability and lender risk.

In December 2024, the ILO and the AEMFI delivered intensive microinsurance training for Ethiopian MFI managers and independent trainers, covering the diversification of financial products, client-centric product development and best practices in risk management. This workshop, informed by the local context and international case studies, equipped participants with the knowledge to design and implement effective microinsurance solutions. By incorporating microinsurance, MFIs can better serve rural and underserved communities, enhancing the resilience of both FSPs and their clients.

This partnership between the ILO and the AEMFI exemplifies a sustainable model for the financial inclusion of refugees and host communities in Ethiopia, embedding financial education and microinsurance within the strategic framework of MFIs. The collaboration strengthens both the institutional capacity of Ethiopian MFIs to support refugee and host communities through inclusive financial services and the financial resilience of the communities they serve, promoting long-term socio-economic stability. ■

and actually settling in their new host areas. There was also a lack of understanding of the practical barriers that prevented refugees from accessing finance, even when legal frameworks permitted it. As already noted, PROSPECTS teams started by assessing the financial sector in each country, including the laws, policies and institutions in place, and other factors influencing refugees' access to finance.

A complex landscape emerged from these assessments, highlighting the role of informal financial systems and alternative methods of financial transactions in the face of exclusionary banking requirements. In Uganda and Kenya, Savings and Credit Cooperatives (SACCOs) played a role in facilitating group lending, alongside VSLAs. In Jordan, Lebanon and Ethiopia, mobile money was also used to transfer funds between individuals. In Iraq, however, such transfers could only take place with exceptional approval, while in Kenya and Egypt, lack of documentation prevented refugees from obtaining SIM cards, which are necessary to make such transfers.

In all PROSPECTS countries, prior to the start of the programme, microfinance institutions had partially filled a gap in services. They had developed group lending products and loans that did not have the same capital requirements as those provided by commercial banks. However, the loans provided were usually smaller than those provided by banks and entailed higher interest rates. They were not targeted to refugees in all cases, either. Supporting MFIs as they introduced loan products in refugee communities allowed them to understand demand and client behaviours, and gain exposure among prospective clients. Over time, as trust and understanding built, some MFIs started lending higher amounts, close to levels offered by commercial banks. This was the case in Iraq with the partner MFI Al Thiqa, for example.[64]

In each country, the PROSPECTS teams had a different starting point, depending on the maturity of the financial system, but they used similar tools and approaches to develop the capacity of FSPs to serve refugees and host community members. The ILO's *Making Microfinance Work* (MMW) course was adapted to better address the financial inclusion needs of refugees, forcibly displaced people and their host communities. Renamed *Making Finance Work for Refugees, Displaced and Host Communities* (MFWR), this condensed, one-week course targeted financial professionals, policymakers and private sector actors. It focused on identifying and addressing the market barriers that prevent refugees and host community members from accessing financial services. Key modules cover segmentation of refugee and host community markets, designing effective outreach strategies, creating inclusive business models and developing approaches to overcome specific barriers to financial inclusion. By emphasizing practical solutions and innovative strategies, MFWR equipped participants with the tools needed to develop sustainable financial services that support both refugees and their host communities.

In some instances, country teams used the training to develop the capacity of service providers and related action plans to extend financial services in refugee-hosting areas. In Uganda, MFWR concluded with four FSPs developing action plans to serve refugee and host community members. These included plans for the establishment of a bank branch inside the Rhino refugee settlement, which was realized in 2023. In Kenya, three partner FSPs from the microfinance sector leveraged MFWR to conduct market research, adapt outreach strategies and develop financial products for piloting in refugee-hosting areas. This ultimately resulted in the delivery of loan products to urban refugees in Nairobi and the introduction of plans to extend them to camp-based refugees in Kakuma.[65]

In Ethiopia, MFWR was rolled out as a follow-up to a national consultation workshop on the National Financial Inclusion Strategy. The workshop helped highlight gaps in services for refugees, IDPs and host community members, to which MFWR was proposed as a support measure. In Iraq, MFWR was conducted with staff from the Iraqi Central Bank, the Iraqi Company for Bank Guarantees, commercial banks and MFIs, in an effort to expand the reach of the national One Trillion Initiative. In these cases, PROSPECTS teams positioned MFWR to advance national policies and strategies.

64 In 2023, PROSPECTS in Iraq started to see a slight drop-off in repayments, as refugees returned to Syria. This is discussed further under "Operational lessons learned", on page 120.

65 At the time of writing, fall 2025, loans had been issued by Longitudinal bank to urban refugees in Nairobi, but not yet to refugees living in the Kakuma camp.

▶Strengthening the microfinance sector in the wake of economic downturn

At the time PROSPECTS was launched, in 2019, Lebanon had undergone a deep financial and economic crisis. Soon after the programme commenced, the situation in the country worsened, with the onset of the COVID-19 pandemic, the Beirut explosion, large and unmanaged forest fires, and widespread social unrest. The financial sector was largely insolvent and in desperate need of reform, as evidenced by triple-digit inflation and the loss of 98 per cent of the currency's value. In the early years of programming, PROSPECTS Lebanon did not work on system strengthening or engage with formal financial systems, largely because these had collapsed. In 2022, a window of opportunity opened as the market started showing some signs of stability, partly as a result of "dollarizing" the economy. Despite this, MSMEs still struggled to stay afloat and, without a stable financial service provider to serve them, they were increasingly cash-strapped. The programme took a sectoral approach and partnered with an MFI, Al Majmoua, to develop a blended finance approach for farmers and agri-food processors. This approach challenged the predominant subsidy model in the country and took the opportunity to reinvest in the microfinance sector, which had also become largely insolvent in the wake of the multiple crises.

Al Majmoua is a pioneer in the Lebanese microfinance sector. From its founding in 1997, it focused on developing affordable financial services for micro-entrepreneurs. Even amid the multiple crises, it maintained operations and issued loan products, one of the very few institutions that was able to do so. PROSPECTS partnered with Al Majmoua, given its history and knowledge of the microfinance sector.

Following a rapid market assessment, the programme team and Al Majmoua developed a financial inclusion product for the agriculture sector. Recognizing the diversity of potential clients in the sector, three types of farmers and agriculture-related businesses were defined to better target products and technical assistance:

- Microscale farmers and agri-food processors: primarily self-employed, relying on family members as daily workers during peak seasons; usually own or rent between two and four *donums* (a third of an acre) of land; and generally farm to supplement another main source of income. Loans for these farmers usually amount to less than US$1,500, owing to their limited repayment capacity and because the loans are primarily to help sustain their business. Syrian refugees largely fell into this category.
- Small-scale farmers: bigger farms and likely to plant two seasons per year; generally hold more assets and are better established in the market; employ few fixed-term workers and take on larger numbers of workers (between five and twenty) during peak seasons. These farmers are usually served with bigger loans (US$2000–7000) and can afford to repay larger monthly instalments. Usually, the loans are used for investment in land or acquiring new technology or machinery.
- Medium-scale farmers: well-established farmers with considerable land (50–500 *donums*), the majority of which is owned rather than rented; usually employ larger numbers of fixed-term workers; can easily afford to repay either monthly or seasonally. Loans are primarily used for expanding farms, creating jobs, or introducing new green practices. Loans are not the only type of finance used by this group.

The microfinance sector's high interest rates were partially subsidized by the programme, as a measure to help farmers and processors, particularly micro and small-scale operators, enter the formal financial system. The product incorporated both financial and non-financial BDS, making use of the ILO Improve Your Agri-Business (IYAB) training to help farmers and agri-food processors maintain or expand operations.

Loans were disbursed to microbusinesses and farms largely in the form of small, regular amounts, to allow for incremental growth. The MFI also preferred this method, as it limited its losses in the event of non-repayment. Market fluctuations at the time of the intervention (2023–24) were a challenge to its already tight profit margins and rising operational expenses.

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Medium-scale farmers' financial requirements to scale up their already large operations exceeded the capacity of the MFI, particularly as the financial sector introduced liquidity constraints at the time. Small-scale farmers and businesses were therefore the primary group targeted for the product, based on their existing capital and opportunities to scale up through investment. Micro-scale farmers required a blended finance approach.

Loan clients invested more in their businesses, and more strategically, than grant recipients. This was due, in part, to their recognition of the need to repay the loans and thus qualify for future financing. Of those reached through the MFI product, 85 per cent reported profitability in their business.

In engaging with the microfinance sector and supporting business growth during a time of crisis, the PROSPECTS team in Lebanon saw how, even in a crisis situation, opportunities can still exist for some businesses. For instance, as the crisis took hold in the south of Lebanon, farmers and agriculture businesses in stable areas saw an upsurge in demand from domestic markets. While providing food for the population was a primary objective at the height of the crisis, small businesses along supply chains sourced from stable areas did experience a boost in business, demonstrating that the impact of crisis is not even. ■

▶ Developing an enabling environment for entrepreneurship financing in Iraq

Iraq has a history of instability, tied to internal and external geopolitics. As a result of the Gulf and Iraq wars, and subsequent waves of violence, large numbers of IDPs and waves of returnees have characterized much of the displacement context. Unlike other countries in the region, in Iraq the number of refugees is relatively small. Many of the areas with large numbers of returnees suffer from weak infrastructure and labour markets. Iraq's economy remains dependent on the oil sector, with limited private sector opportunities. Entrepreneurship is also underdeveloped and the use of financial services to start and expand small businesses is extremely limited. However, in recent years, the Government has tried to support the development of MSMEs, partly in an effort to diversify the economy away from the oil sector and realize job-creation potential at the local level.

The national One Trillion Initiative was launched in 2016, whereby private banks were invited to service MSMEs with loans. Under the initiative, the Central Bank of Iraq (CBI) would advance the loan amount at a very low interest rate to encourage participating banks. However, the weakness of the financial sector, with its history of collapse, limited the initial impact, as entrepreneurs were reluctant to take on loans and commercial banks saw the potential client group as high risk, because it lacked the required collateral/guarantees. Consequently, the banks maintained unaffordable and inflexible guarantee requirements.

At the outset of PROSPECTS, the ILO launched an assessment of the demand for and supply of financial products in Iraq. The assessment revealed a weak ecosystem of enterprise support and rampant misperceptions on the part of FSPs vis-à-vis MSMEs, and vice versa. The programme therefore focused on strengthening networks of FSPs that were willing to adapt and extend services to refugees, IDPs, returnees and host community entrepreneurs and, subsequently, building their capacity to work with this client group.

PROSPECTS Iraq adapted the MFWR course and rolled it out with staff of the CBI, ICBG, MFIs and commercial banks. It also invited staff to FE training with groups of refugees, IDPs, returnees and host community members. In some instances, commercial banks and credit agents became FE trainers themselves. This was also a measure to support the continued application of FE within nationally based institutions by enhancing understanding of the target groups' needs.

PROSPECTS Iraq worked with FSPs to develop a wider network of enterprise support, encompassing the Ministry of Youth and Sport (MOYS), the Ministry of Labour and Social Affairs (MOLSA), business associations, chambers of commerce and chambers of industry. MOYS youth centres and MOLSA TVET centres were used as training spaces, and staff served as trainers for both SIYB and FE. This helped link financial services offered by the FSPs to other forms of BDS support. The programme also institutionalized the tool within a youth volunteer organization that was affiliated to MOYS.

In partnership with the CBI, ICBG and three commercial banks, PROSPECTS Iraq co-designed an MSME-specific loan product, including an innovative guarantee mechanism. Operationalizing the loan product took considerable time between the initial signing of a memorandum of understanding with the Central Bank (in December 2019) and the issuing of the first loan (March 2022). This was largely the result of having to clarify and modify banking procedures, and shift perceptions within FSPs towards serving IDP and host community MSMEs. Some of the more time-consuming, but critical, steps in creating the loan product included the following:

- Standard Operating Procedures (SOPs) were co-designed for FSPs to serve MSMEs run by IDPs and host community members. These cover, for example, reduced length of loan disbursement, seasonal repayment schedules that accommodated repayment by agricultural MSMEs, and compliance with Sharia law. The SOPs were agreed by the CBI, ICBG, ILO and participating commercial banks. They also serve as a reference point for other agencies and banks lending to MSMEs in the country.
- A new approach to MSME lending was co-designed, eliminating the need for personal guarantees from entrepreneurs by introducing a guarantee fund co-financed by the ILO and the ICBG. This innovative model established a savings fund, covering 35 per cent of the loan amount, which functioned as both a guarantee and a savings deposit. If the loan was fully repaid, this 35 per cent was awarded to the entrepreneur as savings. The remaining 65 per cent of the loan was guaranteed by the ICBG. By securing 100 per cent of the loan amount, the fund reduced the financial risk to commercial banks, facilitating their entry into lending to lower-income and IDP clients. Additionally, the 35-per-cent repayment reward encouraged entrepreneurs to practise responsible financial management, reinforcing their commitment to sound financial practices.

By design, partner banks were required to have a portfolio that comprised at least 30 per cent women and 40 per cent IDPs. At the time, refugees were not able to access funds under the national One Trillion Initiative, but they did have access to similar loan products through microfinance institutions with which the programme worked. As a measure of progress, after IDPs were included in the Initiative, the Central Bank asked the ILO to make a formal request to it to include refugees also, thus opening the topic up for discussion within the CBI. However, KYC requirements remained a barrier, as there was no other solution to identify and screen customers in Federal Iraq and the Kurdistan region. A further complication was the fact that Federal Iraq and the Kurdistan region have different definitions and processes for registering refugees, meaning that a refugee in one may not be recognized as such in the other.

The partnerships with the Central Bank of Iraq demonstrated that entrepreneurs traditionally left outside the banking system can all prove to be reliable when given the opportunity to access financial markets. Repayment rates among refugee, IDP and host community clients were in excess of 99 per cent, with rates among IDPs and refugees equating to those of host community clients. The intervention also shed light on the need to increase institutional and operational capacities of the private banking sector to serve refugee and host community entrepreneurs. This would include investment in dedicated staff, effective and efficient credit assessments, and enhanced customer services.

In the case of Iraq, transforming the financial sector to be more inclusive required both time and commitment to engage with both FSPs and entrepreneurs. On the side of FSPs, a clear and shared objective was required, together with the flexibility to customize and develop products suitable to the context. The ILO financial and non-financial training tools, once adapted, became part of an ecosystem of support for MSME growth and development. The model that was developed in Iraq supported the mobilization of resources in the country from other donor-funded projects, all of which aimed to strengthen access to financial systems among MSMEs.[a] ■

a The model was adopted by two ILO-funded projects in the country: Towards More and Better Employment Through Enhanced Support to Private Sectors in Southern Iraq (Italy) and Promotion of Small and Medium-Sized Entreprises (SMEs) in Iraq (Germany). These helped expand the model in Federal Iraq and strengthen the national financial system as a whole.



8.2 Narrative and lessons learned

Operational lessons learned

Make a business case for long-term engagement by FSPs

The long-term engagement of FSPs in forced displacement settings depends on the profitability of new products and services and their alignment with the FSPs' mission and vision. While international finance can offset the initial costs and associated risks, return on investment needs to be evident for engagement in the long term. The potential scale of business with refugees, IDPs and host communities is large, as these populations are largely unserved by FSPs and concentrated in the same geographical areas (such as densely populated settlements, camps and urban neighbourhoods). However, while the number of customers is potentially high (population density), the size of the amounts involved in their transactions will be low (limited capital).

While the rationale for investing in refugee and host communities is clear, there is not yet evidence to prove medium- and long-term profitability to lenders. Most countries in which loan products have been launched have seen repayment rates of more than 94 per cent (Iraq, Ethiopia, Kenya, Lebanon). In Arab states, there has been a drop-off in repayments among refugees, largely due to the increasing possibility of return for Syrian refugees. This might be a future cause for concern should conditions for return continue to improve. In addition, the programme does not yet have evidence that engaging in refugee and host community markets generates profit for FSPs. Having such evidence, and of the multiplier effect in local communities, would help strengthen the business case. There may also need to be measures to mitigation drop off in repayments for refugee clients who return to their countries of origin.

Building trust and confidence between FSPs and new client groups

One of the key reasons why financial service providers are reluctant to serve refugees, IDPs and even vulnerable groups within the host community is their perception that these groups are high risk and therefore susceptible to not repaying loans and interest. This is known as "flight risk" by financial institutions. Refugees, in particular, fall into this category, as their status in the host country is perceived as temporary and the belief is that they will return home before a loan can be repaid. There is also a lack of trust on the part of refugee and host communities, who may perceive banks negatively, especially if there is no physical presence (a bank branch) in their locality. If refugees lost savings when they fled, they may believe that avoiding banks is to their advantage. As noted, host community members who live in countries where the banking system has collapsed may also be unwilling to engage with banks.

One related consideration is the duration of displacement, with refugees' readiness, willingness and capacity to access financial services being higher the longer they are in the host country. In protracted situations, needs become more varied as the target population establishes itself in country. The longer refugees are in a host country, the more they need diverse financial services.

Where refugee populations were at a distance from bank branches, programme teams adopted village-agent models. PROSPECTS partners, namely commercial banks and microfinance institutions, recruited, trained and employed refugees and host community members as local representatives. This allowed members of these communities to become familiar with the FSP, while also bringing down the transaction cost of travelling to a bank branch. In Uganda, prior to PROSPECTS, Opportunity Bank had tried to set up financial services inside the Nakivale refugee settlement. The population was not familiar with the services and therefore hesitant to engage with an unknown institution. With PROSPECTS, Opportunity Bank adopted a village-agent model, whereby 25 refugees and host community members from the locality were recruited and trained to serve as bank agents. An adapted portfolio of agriculture finance became established in the community. In Ethiopia, Shabelle Bank hired digital banking agents in refugee camps. These agents helped refugees transfer funds between refugee camps and communities using mobile applications. Female banking agents were hired to support outreach to female clients in more conservative areas.

Another measure used to build trust and confidence in engaging financial institutions was the use of group savings and loans. In Uganda, refugee and host community members could set up group accounts with BRAC Bank and Opportunity Bank. In Ethiopia, Shabelle Bank operated group accounts for clients with limited capital. In Iraq and Ethiopia, cooperatives served as a collective entity with which financial institutions could engage to provide tailored credit, savings and loan products. By engaging with refugee and host community members as collective groups, rather than individual clients, the financial risk to both sides was mitigated.

Finally, building the capacity of FSPs, refugees and host community members to engage with one another helped build confidence. This included the roll-out of MFWR in Iraq, Kenya, Lebanon, Uganda, Egypt and Ethiopia, and the delivery of FE to refugee and host community clients in the same countries. This helped FSPs understand the client group and thus develop products and adapt procedures that could better serve them, while helping refugees, IDPs and host community members acquire the skills necessary to navigate finance.

Taking measures to reduce entry costs and perceived risks

While microfinance institutions in PROSPECTS countries had already provided proof that the risk of non-payment among traditionally unbanked populations was low, additional measures were required to encourage commercial banks to serve refugees, IDPs and host communities. In Iraq, the ILO used PROSPECTS funds as guarantees on behalf of host community clients (as detailed in the case study on page 118). This was one measure to de-risk the provision of loans, while enabling the commercial banks to build client relationships and gain experience in serving this new market segment. In Lebanon, capital shortage within the microfinance sector constituted a key bottleneck when it came to extending financial products. PROSPECTS worked with a partnering MFI to understand the agriculture sector and related

financial needs. Capital was injected into the partnering MFI through a blended financial product, so that it could build capital and issue loans. A small guarantee was put in place to encourage the MFI to provide higher loan amounts and boost its lending to the higher-risk groups, in this case, farmers and agri-food producers.

Starting small and scaling up gradually

New and adapted financial services take time to become established, particularly when targeted towards groups that are traditionally outside of formal financial systems. Products also require adaptation as they are rolled out. PROSPECTS countries piloted financial products on a relatively small scale with FSPs. In doing so, they were able to assess the uptake of the products and collect feedback to inform adaptations, as needed. Moreover, doing this within a specific sector, geographical area and/or demographic helped build confidence in the product, while also limiting loss.

In Iraq, the programme initially invested small amounts as guarantees in three commercial banks. As actual disbursement to MSMEs began, two of the banks showed capacity and willingness to continue to roll out the scheme among MSMEs. Both banks demonstrated commitment to addressing administrative barriers within their own operations when issuing loans to new MSMEs, and they were ultimately able to administer the funds to approved MSMEs in a timely fashion. The banks subsequently provided two further rounds of additional investment.

In Lebanon, PROSPECTS started with a small pilot in the agriculture sector, focusing on small-scale farmers as a defined market segment. At that time, no other bank or MFI was lending in this sector, but demand for finance among the target group (farmers and agri-food processors) was high. After the pilot phase, the programme team in Lebanon invested additional funds to double the outreach of the product. By monitoring uptake and repayment, it was able to demonstrate how different types of farmers and agriculture businesses engaged with the product. In Uganda, PROSPECTS and Opportunity Bank invested both time and resources in defining sub-segments of the refugee population. Tailored products were then developed for and piloted in each sub-segment.

In Ethiopia, PROSPECTS started developing financial products with Shabelle Bank. Over time, it built a partnership with the Association of Ethiopian Microfinance Institutions, which has allowed the ILO to roll out products with other MFIs, building on the lessons learned from pilots with Shabelle Bank.

Changing mindsets to embrace sustainable financial services

PROSPECTS countries all have a legacy of receiving humanitarian assistance. Consequently, their populations have grown accustomed, to varying degrees, to receiving grants and free services. This is exacerbated by limited knowledge and understanding of the financial sector among the local population. The result is a culture in which individuals are seen by service providers as passive recipients of finance, rather than active customers who use finance to build and strengthen livelihoods. Pivoting away from humanitarian assistance and towards the use of investment, savings, loans and credit is a long-term process that requires changes in mindset. It is also contingent on market readiness and economic stability, which have proven to be more volatile in certain contexts, such as Lebanon.

Having positive examples of engagement with these types of financial products can strengthen the case, but in contexts where humanitarian assistance continues to be on offer, the transition is more difficult. In Iraq, a legacy of humanitarian assistance has made local populations reluctant to accept forms of finance that require investment of their own resources (that is, loans). This reluctance is further complicated by issues of trust in formal banking systems (see case study on page 118). In volatile contexts like Lebanon, future uncertainty around the value of the currency can also dissuade refugees and host community members from engaging with financial institutions.

Using blended finance to transition to formal financial systems

In post-conflict settings, where there is some level of stability, the legacy of grant provision will remain. Grants can still provide a relevant lifeline to MSMEs that have faced physical loss of infrastructure, capital and market opportunities, but they are best suited to business reactivation and recovery. A blended product that combines grants with loans at lower interest rates can be used to help businesses transition to formal financial systems and invest in development. This needs to be managed carefully, however, with a view to targeting grants to those without sufficient capital and avoiding market distortion. Overuse of grants constitutes a market disturbance and is therefore not a sustainable approach for medium-/long-term development.

Loan products that use subsidized interest rates as a form of blended finance are one approach that has been used by PROSPECTS programme teams. Using microfinance helps individuals and businesses rebuild a solid credit history, which is essential for accessing larger loan amounts in the future and thus more sustainable for business growth. Additionally, loans require repayment, which instils a sense of financial discipline and responsibility – crucial for sustainable resource management and preventing dependency on unstable external aid.

In Lebanon and Iraq, PROSPECTS teams used a blended finance approach to ensure a gradual transition from complete subsidy to full reliance on market prices. Grant-like elements were used to incentivize savings and repayment. For example, in Iraq, when loan recipients were successful in making repayments, they would receive 35 per cent of the initial loan as a deposit in savings accounts. In Lebanon, loan interest rates for farmers were subsidized as part of an agricultural credit scheme. This element also allowed the programme to alter the subsidy as the economy improved or worsened, reflecting the overall volatile context in country. With Al Majmoua in Lebanon, the second expansion of the loan product involved increasing the interest rate to bring it in line with the market rate. In conclusion, conflict-affected countries experience unstable economic activity and markets become dysfunctional, making it critical to understand the phase of recovery that the country is undergoing economically and, hence, recommend interventions that support the functioning of the market.

Identifying and understanding the financial needs of different sub-groups

PROSPECTS has targeted both refugee and host community members with the potential to contribute to economic development, including through business creation and social enterprises. Within these broader populations, distinct sub-segments face unique challenges and obstacles. Key variables, such as the duration of displacement and area of settlement, can affect levels of accumulated knowledge, social capital and, in some cases, assets. These factors help predict an individual's readiness to access formal financial systems, while also highlighting varying needs at different stages of displacement, which require tailored financial and capacity-building support.

Based on market research, Opportunity Bank in Uganda defined three broad sub-segments of the refugee population. In response, it developed three tiers of services: financial literacy training for customers who had been in Uganda for two years or less and lacked capital; group loans for those who had been living in Uganda for between two and five years and had a limited amount of individual capital; and individual loans for customers who had been in Uganda for five years or more, had an existing business and a bank account. Similarly, in Lebanon, the partner Al Majmoua defined three segments of the refugee and host community that reflected varying levels of financial capital and knowledge. Those without any capital or knowledge were excluded from the pilot, whereas more resources were used to support those with limited-to-moderate levels of capital and knowledge.

Adapting FE tools and loan products

PROSPECTS teams adapted FE training to their contexts, introducing into the training modules different characters and stories that would have relevance locally. In Sudan, for instance, FE trainers employed more games and role-play to illustrate concepts for participants with lower levels of literacy and numeracy. In Ethiopia and Iraq, Muslim populations were assured that the loan products were Sharia-compliant. In Iraq, this involved getting a letter signed by an imam, explaining how the financial products were compliant. In Ethiopia, the project assembled a Sharia advisory board for interventions implemented in the predominantly Muslim Somali region. This was particularly important in refining outreach strategies for commercial banks. Loan products for agriculture businesses in Lebanon took into consideration seasonal repayment schedules. Group loans were used in Uganda and Ethiopia, in part because the concept was familiar but also because they offset the individual risk of non-payment.

8.3 Sustainability

Sustainable financial inclusion would see both refugee and host community members continually accessing and using financial products to support their livelihoods and well-being. By working at the policy level, within national institutions, and with FSPs at the local level, PROSPECTS countries have taken steps to support long-term sustainability, even in the face of political change and unforeseen crises.

At the macro level, PROSPECTS has advocated for more inclusive financial laws, policies and strategies. In Ethiopia, it convened national stakeholders in a workshop to address challenges in rolling out the National Financial Inclusion Strategy and subsequently trained participants in MFWR. In Iraq, it worked with the Central Bank to include IDPs under the national One Trillion Initiative, ultimately supporting 200 IDPs and returnees to receive loans and expanding this pilot to other regions in the country. In Egypt, it supported the Ministry of Youth and Sport (MOYS) to incorporate financial education in its youth centres across the country. Positioning ILO methodologies and tools as mechanisms to advance national objectives is one measure to support their continued application.

Continuous advocacy with relevant authorities for policy change is essential. Equally important is engaging at the decision-making level, while simultaneously working at a technical level to implement these decisions in practice. For instance, PROSPECTS engaged at both levels to draft SOPs for financing MSMEs in Iraq, ensuring the procedures were technically sound and able to be formally endorsed by the CBI. In Ethiopia, a workshop on alternative forms of collateral prompted the director of the Financial Inclusion and Customer Protection Unit at the National Bank of Ethiopia to introduce a directive that required all banks to provide at least 5 per cent of their portfolio through mobile collateral.[66] This meant that refugee and host community pastoralists could use livestock as part of collateral. PROSPECTS also identified national institutions that could roll out FE as part of a national financial inclusion approach. This has been the case with MOYS in Egypt and central banks in both Iraq and Ethiopia.

Even when financial inclusion is informed by the ILO's tools and approaches and embedded within national strategies, national circumstances can change suddenly, so agility is required. This has been the case in Lebanon, where the financial crisis meant the programme had to adapt financial products. The initial loan product designed for farmers required additional subsidies to offset interest rates, which were gradually reduced as the market stabilized. However, with the onset of war, it is unclear how these interventions will need to be adjusted. The new circumstances likely call for higher reactivation grants to support enterprises that have sustained significant damage. Although the goal is to shift from a humanitarian approach to development finance, current conditions may require a temporary return to more humanitarian solutions (such as grants) to ensure continuity of services until the situation stabilizes.

66 Mobile collateral refers to assets that are movable, such as a vehicle, livestock, or bicycle, and which can be used for repayment of a loan, or as a forfeit in the case of default.

8.4 Integration with other areas of work

As previously mentioned, PROSPECTS has approached financial education primarily as a part of business development services. This has helped individuals apply the skills gained as a result of financial education by enabling them to access financial products that support the development, launch and growth of their business ideas. Without access to financial services, entrepreneurs encounter difficulties in making and receiving payment, investing in business infrastructure and taking steps to formalize. By filling a gap in financial BDS for refugee and host community entrepreneurs, PROSPECTS helped FSPs tap into an underserved market.

Where there was a legacy of savings groups – so, in Kenya, Uganda, Sudan and Ethiopia – PROSPECTS teams supported both the formation and strengthening of VSLAs and SACCOs, combining financial education, access to financial products and cooperative training as a means to build the capacity of the cooperative structures and increase business investment. This also helped producers build an income base by pooling financial resources, fostering better collective bargaining power and boosting sales.

In Lebanon, PROSPECTS adapted the SIYB tool to the needs of agricultural businesses, and integrated the Improve Your Agriculture Business (IYAB) training with FE and an agricultural credit scheme. This allowed trained farmers and agriculture workers to access credit for raw materials, equipment and solar-energy solutions, among other business inputs. This ultimately helped businesses scale up production and create and retain jobs.

In Egypt, Digitalize Your Business (DYB) training covered aspects of e-commerce and how to deal with digital payments. As more payments move online, covering topics like mobile and digital payments is an important measure in financial inclusion. Kenya and Uganda have also taken up DYB, covering e-commerce but also raising awareness of digital risk and cyber-crime – topics associated with online business transactions.

Financial inclusion can also be pursued in response to needs expressed as part of value-chain development. In Ethiopia, work on the milk value chain enabled producer cooperatives to open bank accounts with Shabelle Bank. This was also involved the introduction of a digital platform that linked milk producers with processors, so that money for the product could be transferred immediately following a quality inspection by the processor.

The programme also intervened on the side of FSPs, to overcome barriers in servicing refugee clients. By bringing FSPs, including commercial banks, into refugee-hosting areas, the programme paved the way for further private sector engagement in refugee settings. For instance, in Ethiopia, PROSPECTS supported the signing of a memorandum of understanding (MoU) between Shabelle Bank, UNHCR and Refugee Resettlement Services (RRS), which allowed Shabelle Bank to enter into camps for the purpose of providing financial services. Although time-consuming to arrange, the MoU enabled the first private sector entity to enter a refugee camp in Ethiopia with the purpose of doing business. It also brought national actors, in this case RRS, which traditionally interface with humanitarian actors, into contact with the private sector. By amending RRS processes to allow Shabelle Bank to enter the camp, RRS also became familiar with development actors and the types of services and support they offer. It can now more easily interface with and facilitate the entry of private sector entities into camps.

Having a bank account is often a requirement to be registered and receive social security. In Jordan, PROSPECTS facilitated dialogue between the Social Security Corporation and UNHCR to better understand the types of mobile banking services refugees in Jordan were able to access and if mobile wallets could be used to receive social security payments. In Ethiopia, UNHCR expressed an interest in knowing more about the commercial banks that have helped refugees open bank accounts, with a view to using these to pay cash assistance into. In Kenya, not having a bank account still prevents refugees from being effectively covered by social security.

8.5 Challenges

In the first four years of operation, PROSPECTS largely intervened on a pilot scale. Most countries had between two and four FSPs that were committed to rolling out services in refugee- and IDP-hosting areas as part of their long-term business model. Not all financial institutions were, however, able or willing to expand their operations into refugee-hosting areas. In most cases, opening bank branches is not viable. For instance, UGAFODE Microfinance Limited in Uganda did not conduct a pilot, as the cost of setting up the branch was too high. Here, village-agent models and mobile services proved useful, as demonstrated in Ethiopia, Uganda and Kenya.

The barriers to overcoming KYC requirements are high for refugees in countries where refugee IDs are not equivalent to national IDs. In Kenya, obtaining a national ID that would be accepted by commercial banks can take more than five years for refugees. In response, PROSPECTS worked with UNHCR to use its data to help profile and identify refugee clients for commercial banks, and obtain a UNHCR-issued letter of support to facilitate these clients' access to MFI loans. While these efforts did help some people access loans, this was on a case by case basis and did not work for refugee loan applicants. In Uganda, the programme team used its own profiling data to help refugee farmers provide sufficient identifying and background information to meet KYC requirements. In both cases, the programme used data, including information on place of residence, skills levels and educational background, to meet the KYC requirements. Use of data generated by PROSPECTS and UNHCR were only accepted on an exceptional basis, however, and not as part of the bank's Standard Operating Procedures.

In the Kurdistan Region of Iraq, despite refugees having residency and de facto work authorization, they were not registered in the Federal Government's database, as they were not recognized by it as refugees and therefore not included in national initiatives, such as the One Trillion Initiative. While PROSPECTS was successful in advocating for the inclusion of IDPs in such initiatives, refugees as a group of non-nationals were not included. This then led to setting up parallel tracks for refugees and members of the host community to access loans. In the case of refugees, loans were issued through microfinance institutions, and in the case of host community members, loans largely came through commercial banks. Because the terms and conditions of the products were different (in terms of loan amount, interest rates), this introduced tension and feelings of unfair treatment, as both refugees and members of the host community participated in the same FE training but ended up receiving different products.

In Lebanon, the intervention came at a time when the general rhetoric in the country became very anti-refugee. There were multiple political and operational challenges to including Syrian refugees in the targeted client pool. In practical terms, refugees could only be agriculture workers, rather than business owners or farmers. This meant that the benefits of access to finance would be indirect, as in, if Lebanese farmers and food processors accessed finance and were therefore able to expand operations, they would have greater demand for Syrian labour. The impact was therefore indirect, aimed at sustaining and creating jobs for Syrian refugees on these farms (the Syrian workforce constitutes more than 60 per cent of agricultural labour in Lebanon).

As already mentioned, obtaining authorization for FSPs to access refugee settlements and camps remains a key challenge – especially in Iraq and Ethiopia. Over time, these processes may become more streamlined, but facilitating partnership between FSPs and the respective authorizing agency can help set processes in motion, as demonstrated by the effect of the MoU between Shabelle Bank and RRS in Ethiopia.

Key takeaways

- Being able to access finance means entrepreneurs can start, invest in and expand their businesses. Legal access is one critical factor, alongside knowledge of how to save, invest and build capital over time. Without access to finance and financial education, MSMEs will be unlikely to grow and contribute fully to economic development.
- Access to financial services is not only an enabler of entrepreneurial development but also a basis for decent work, as bank accounts enable payment of wages, access to social assistance payments, credit and loans. If they're not recognized by financial service providers, refugees and vulnerable host communities risk being left behind.
- Tailoring financial products to the needs of those in varying stages of displacement is critical in refugee-hosting areas. Refugees and other forcibly displaced people who have spent longer periods in displacement often accumulate knowledge, social capital and assets, enabling them to better utilize formal financial services and products, such as loans.
- Piloting new financial products on a small scale enables effective risk management, provides insight into client needs and allows adjustments to be made before scaling up. This phased approach helps FSPs become more confident about serving a new client group, namely refugees, and refine products over time to better serve them.
- Grants as means to support access to finance for entrepreneurs are primarily effective in immediate post-conflict settings, where there has been a significant loss of capital, assets and opportunities. This tool should be handled with care and caution, however, as it has the potential to contribute to a culture of dependency and can make the transition to more sustainable forms of financing more difficult.
- As the economic situation stabilizes in a post-conflict setting, financial inclusion interventions should support the development of the financial sector, including building the capacity of banks and financial institutions to issue credit and loans. Guarantees and subsidies can be introduced using donor funding, which ultimately helps de-risk transactions and allows relationships between FSPs and clients to (re)build over time.
- The ILO's Financial Inclusion programme has seen a purposeful combination of financial education with system strengthening. Delivering training that includes representatives of FSPs, as well as refugee clients, has been shown to address misperceptions that either side might hold and foster trust between them. Incorporating FSP staff as trainers in financial education is an additional measure to help build trust.
- Know Your Customer (KYC) requirements remain a barrier for refugees to access finance – particularly where documentation requirements are strict and mired in bureaucracy. A second key challenge for financial institutions is gaining access to refugee camps or settlements in remote areas.
- Using group savings and lending mechanisms, cooperatives and village-agent models can provide accessible financial pathways in regions where individual transactions may be challenging or perceived as high risk. Leveraging the collective financial strength and risk-sharing aspect of these groups can help foster community-based financial security.



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9

Cooperatives and the wider social and solidarity economy

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According to United Nations General Assembly resolution 77/281 of 2023 on promoting the social solidarity economy for sustainable development[67] and the ILO Resolution concerning decent work and the social and solidarity economy,[68] the social solidarity economy (SSE) comprises enterprises and organizations that serve a collective economic, social and/or environmental purpose. Examples of SSE entities include cooperatives, mutual societies, foundations, social enterprises and self-help groups. The ILO Promotion of Cooperatives Recommendation, 2002 (No. 193) defines cooperatives as "an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly owned and democratically controlled enterprise". SSE entities apply shared values of equality, fairness, interdependence, self-governance, transparency and accountability. They can start informally and transition to the formal economy, with most countries having dedicated processes whereby such entities can both form and register as legal entities.

Given their focus on the collective and common good, SSE entities, specifically cooperatives, are responsive in times of crisis and need. They can help communities take collective action to address common challenges and build cohesion between groups. Most refugees and forcibly displaced people come from fragile and conflict-affected states, where social contracts have been undermined. Establishing structures that the local community trusts, as well as strengthening local governance, are both key to peace-building. Cooperatives and other SSE entities are well positioned to address the needs of both refugees/displaced people and host populations, because of their ability to combine practical assistance and support through collective action.[69]

67 United Nations General Assembly, resolution 77/281, Promoting the social and solidarity economy for sustainable development, A/77/L.60 (2023).

68 ILO, 2022, Resolution concerning decent work and the social and solidarity economy, International Labour Conference, 110th Session, 2022.

69 ILO, *Mapping Responses by Cooperatives and Social and Solidarity Economy Organizations to Forced Displacement*, 2020.

In PROSPECTS countries, programme teams supported national policy, legal and institutional frameworks and strategies for the development of inclusive and sustainable cooperative movements. Downstream, they supported community-driven and collective initiatives that were responsive to obstacles faced by refugees and members of the host community. These included initiatives that had both economic and social purposes. In Lebanon, the programme supported the development of SSE initiatives that addressed challenges in the local community's agriculture sector at a time of economic and political collapse. In Ethiopia, young people were brought together to create socially-driven initiatives to respond to employment challenges faced by young people in their communities. In Jordan, agriculture cooperatives were engaged in programming to address decent-work deficits faced by both refugee and host community agriculture workers, including issues around child labour and occupational safety and health (OSH). In Sudan, Kenya, Uganda and Ethiopia, small-scale farmers and agricultural producers were supported to form cooperatives to pool resources, increase market access and facilitate sales for members. The cooperative structures that were supported helped localize service delivery and facilitate market access in otherwise challenging contexts.

9.1 Description and key approaches

PROSPECTS worked upstream to strengthen cooperatives and wider SSE movements, while also reinforcing the role of collective initiatives at the community level. This included reviewing cooperative legislation and supporting the drafting of national strategies, as well as building the institutional capacities of apex cooperative organizations[70] and government institutions that support cooperative development at the national level. Programme teams promoted cooperative formation and strengthening as a means to economically empower refugees and host community members.

The following cases from PROSPECTS countries provide examples of the different ways in which cooperatives and SSE initiatives can be operationalized and strengthened in contexts of forced displacement. Most of the examples relate to cooperative development, but in some instances – such as in Lebanon and Ethiopia – other SSE entities were supported.

1. Strengthening policy, legal and institutional frameworks governing cooperatives

PROSPECTS countries have different legal frameworks, policies and practices that determine refugees' position within cooperatives and the wider SSE movement. Ethiopia's Refugees Proclamation stands as the most progressive legal framework, recognizing refugees' right to "individually or as a group, engage in agriculture, industry and small and micro enterprises".[71] With the exception of Jordan, where the cooperative law restricted non-nationals from joining existing cooperatives or forming their own, most countries had no explicit references restricting refugee participation in cooperatives. In the case of Uganda, Kenya and Sudan, refugees' legal right to participation was assumed and they participated in Village Savings and Loan Associations (VSLAs) and other self-help groups.

In countries where institutional structures to support cooperatives were not fully in place, PROSPECTS teams worked at the policy level to catalyse the expansion of a cooperative movement and strengthen institutional capacities to do so. They provided technical assistance and guidance in drafting and amending national policies and in strengthening awareness and application of cooperative principles and objectives – including principles of equality and inclusion – in alignment with ILO Recommendation No. 193.

70 Apex cooperative organizations are overarching bodies, typically formed to organize cooperatives themselves.

71 Ethiopia, Proclamation No. 1110/2019, Refugees Proclamation, Federal Negarit Gazette of the Federal Democratic Republic of Ethiopia, No. 38, Addis Ababa, 27 February 2019.

In Jordan, which was one of the more restrictive contexts with regard to refugee inclusion, the PROSPECTS team reviewed cooperative law and developed a cooperative strategy, with a view to advancing national dialogue on the inclusion of refugees, among other topics. Although the cooperative law restricted the ability of non-nationals to form or join cooperatives, the latter had played an important role in the country's response to Syrian refugees. As agriculture was the main sector in which Syrian refugees were employed, agriculture cooperatives were engaged at national level to develop and issue a type of work permit that enabled refugee workers to move daily and seasonally, without having a fixed employer. In all, 13 agriculture cooperatives worked with the Ministry of Labour to facilitate the issuance of these non-employer-specific work permits, starting in 2018. However, while agriculture cooperatives were playing a more visible role in the refugee response, the wider cooperative movement suffered from inadequate legislation and limited institutional capacity. In 2020, the PROSPECTS team conducted an analysis to better understand such weaknesses and create space for dialogue to address them. The results of the analysis were used to inform the development of a national cooperative strategy, led by the Jordan Cooperative Corporation (JCC). The drafting process involved multiple rounds of consultation and consensus-building. It pursued social dialogue with agriculture workers and employers (farmers), consultation with cooperatives themselves, and dialogue between the Ministry of Labour and Ministry of Agriculture.

The final strategy addressed three levels of intervention: legal, institutional and administrative. A key objective was to build the JCC's role not only as an administrator but as an institution to build the capacities of and strengthen cooperatives across Jordan. Other structural issues included the lack of integration between cooperatives operating in similar fields and areas, lack of a strong membership base and insufficient technical capacity within cooperatives themselves. The national strategy was accompanied by an action plan, featuring concrete activities to be carried out by JCC departments. Progress on the action plan was to be reported back to the JCC Board of Directors on an annual basis.

One of the action plan's priority areas was amending cooperative legislation, to which end PROSPECTS supported a review of the existing law in light of ILO Recommendation No. 193. In this case, there was strong demand, led by the JCC, to revisit the legislative framework and align it with international good practices. As ILO Recommendation No. 193 is explicit on the inclusive nature of cooperatives, the PROSPECTS review also introduced an important discussion. The recommended amendments to the cooperative law were reviewed in a validation workshop with key stakeholders. Key points of dissent included taxation and cooperative membership for non-nationals. These issues were passed up to the level of parliament and, in the case of taxation, ultimately directed to the Ministry of Finance for review.

In Lebanon, in the absence of political will to address the inclusion of refugees in cooperative structures, the PROSPECTS team worked on strengthening the cooperative movement in general. It began by mapping cooperatives with the Directorate-General of Cooperatives, thereby forming a relationship with the main national counterpart. The mapping exercise gave the team an entry point with the Ministry of Agriculture, with which it then worked on the development of an existing database of cooperatives and an assessment of conditions for cooperatives' expansion. The database captured key information about cooperatives in the country (size, sector, location) and provided an entry point for future interventions to strengthen them.

In Kenya, PROSPECTS rooted its cooperative work in the development of a national Cooperative Transformation Strategy, linked to the government's wider development blueprint, dubbed the Bottom-Up Transformation Agenda (BETA). The Strategy was prioritized as an enabler of BETA, which set out a vision for Kenya to reach middle-income status as an industrialized nation by 2030. ILO COOP training tools and the organization's experience in similar contexts[72] proved useful in developing the Strategy in collaboration with the State Department of Cooperatives and the Presidential Economic Transformation Secretariat. Building on an assessment commissioned by PROSPECTS, the team in Kenya convened consultative forums to collectively identify key variables of transformation, including legal and regulatory

72 In 2010, the ILO helped establish a Cooperative Facility for Africa – CoopAfrica – whereby it supported cooperatives in nine countries across eastern and southern Africa, including Kenya.

frameworks, cooperative compliance, governance, productivity and value addition, digitalization and knowledge management. Identifying these areas helped orient and prioritize PROSPECTS' work to support the Strategy. Furthermore, through its involvement in developing the Strategy, the programme in Kenya was able to incorporate explicit reference to refugee inclusion as a cross-cutting area. Although refugees were, in practice, already participating in cooperatives in Kenya, the fact that the Cooperative Transformation Strategy now included a specific pillar on this positively impacted the transformation of the cooperative sector in country. The programme team also supported a review of the Kenya Cooperatives Bill 2024 and the development of related regulations, both of which reinforce more inclusive cooperative movements downstream.

2. Capacity-building of apex cooperative organizations and related national institutions

Another key way in which PROSPECTS supported the development of cooperative movements in its countries of operation was by institutionalizing COOP training tools and approaches. In Jordan, in line with the country's Cooperative Strategy, PROSPECTS supported the JCC in expanding its function as a capacity-building institution for cooperatives. The JCC had already initiated work to create a cooperative training institution, in line with recommended actions in the Strategy. Supporting JCC staff to become certified in the use of the ILO's COOP tools helped the JCC become recognized as a certified training provider. Trainers from the Ministry of Agriculture and agriculture cooperatives were also trained. As the JCC strengthened its own training functions, it considered making Start.COOP a prerequisite for cooperative registration in the country.

In addition to its work nationally, the JCC became a regional reference for the development of cooperative movements. The JCC trainers trained Lebanese and Iraqi cooperative members – including staff from the Lebanese Directorate-General of Cooperatives and Ministry of Agriculture – on Think.COOP and Start.COOP. The JCC was also requested to provide feedback on Morocco's draft cooperative strategy. Evidence of the JCC's increased capacity was its involvement in developing a new COOP training tool with the ILO. The tool addressed occupational safety and health in agriculture, building on the JCC's experience of working with the ILO in this sector and of partnering with large agriculture cooperatives in its development. The tool was piloted with a cohort of agriculture cooperatives that had been engaged in PROSPECTS programming and cooperative action in the Syrian refugee response. The JCC was also among the national cooperative institutions that piloted a cooperative tool to eliminate child labour, an issue that was particularly pertinent in Jordan's agriculture sector. These two targeted tools strengthened cooperative action in reinforcing decent-work principles.

In Kenya, the PROSPECTS team supported training of trainers to increase a national pool of trainers within national institutions. The trainers could then work with cooperatives using the Think.COOP, Start.COOP and My.COOP training packages. Participants in the training were drawn from the Cooperatives Departments of the Turkana and Garissa County governments; the State Department of Cooperatives at national level; NGOs promoting cooperatives' activities; the Kenya National Chamber of Commerce and Industry, whose membership includes local associations, and representatives from the Kenya Cooperatives University, a public institution providing education, training and research with an emphasis on cooperatives development. Within the Ministry of Cooperatives and MSMEs, the Principal Cooperative Officer was trained as a trainer, with a view to institutionalizing the methodologies. Following the training, the Ministry committed to changing its training approach and adopting a peer-to-peer model that emphasized knowledge exchange and sharing of experiences.

3. Cooperative formation in contexts of forced displacement

In PROSPECTS countries, an initial step in cooperative formation and development involved conducting a rapid needs assessment. This identified relevant pathways for successful engagement by cooperatives. A global mapping exercise carried out under PROSPECTS in 2020 identified seven possible pathways for cooperatives to engage with host and refugee/displaced populations. The results of the mapping exercise helped country teams frame and select the most suitable pathway(s) for their contexts. In some cases, the exercise shed light on the potential of informal groups to formalize and transition to cooperative societies.

▶ Pathways for cooperatives to engage with host and refugee/displaced populations[a]

Cooperatives are engaging with host and displaced populations in the following ways:

- Host community cooperatives provide goods and services to refugees and displaced people.
- Host community cooperatives recruit refugees and displaced people as workers.
- Host community cooperatives include refugees and displaced people as members.
- Host communities provide capacity-building and training for refugees and displaced people to set up their own cooperatives.
- Refugees and displaced people form cooperatives to provide goods and services for themselves or their host community.
- Refugees, displaced people and host communities organized into cooperatives by an international organization provide services for themselves and their communities
- Returning refugees and displaced people rebuild their own communities through cooperatives.

Source: ILO (2020)

a ILO, Cooperative Responses to Refugee Crises 2020. https://www.ilo.org/sites/default/files/wcmsp5/groups/public/@ed_emp/@emp_ent/@coop/documents/genericdocument/wcms_455734.pdf

Supporting the formation of new cooperatives and strengthening existing ones were more common in PROSPECTS countries in the East and Horn of Africa, where farmer and producer cooperatives and organizations ease access to markets and finance. These structures were mobilized to be responsive to the challenges faced by both refugee and host community producers. By joining forces, the refugee and host community farmers and producers were able to use their collective power to tackle issues such as access to land, negotiating prices with buyers and improved access to infrastructure. This was particularly relevant for refugee producers, who generally had lower levels of capital and restricted rights to own land. The PROSPECTS teams used the established curriculum of ILO cooperatives training tools (Think.COOP, Start.COOP and My.COOP) to build capacities among these groups.

In Uganda, PROSPECTS partnered with Ripple Effect (a UK-based charity that focuses on sustainable agriculture and business development for families in rural Africa) to support, strengthen and formalize farmer groups – including in their transition to cooperatives – along the soya-bean value chain. The crop provided a source of income for refugees and host community members, both of whom had access to plots they could cultivate. The common challenges faced by farmers in Uganda made a group approach to farming a sensible option. For instance, land rights were an issue for small-scale farmers, as the titles to land were often unclear and disputed in rural areas of Uganda. Ripple Effect worked with local authorities to identify the rightful landowners and negotiated access to 100 hectares of land that refugees and host community soya farmers could cultivate. Ripple Effect also facilitated the introduction of a new seed variety via farmer groups. These two developments demonstrated the tangible benefits to collective farming, and, as a result, growers became more willing to transition from loosely associated groups of farmers to

registered producer associations. The groups of producers went through the Think.COOP and Start.COOP training. In addition, the benefits of Village Savings and Loan Associations (VSLAs) were promoted within existing farmer groups and introduced to new groups. As a result, the programme in Uganda ultimately helped two of the farmer groups join a VSLA. With regard to the leadership of the groups, refugees were represented.

In Kenya, a cooperative assessment was carried out in Garissa to determine the most relevant pathways via which cooperatives could engage with refugees and host community members. The following three pathways were identified as most relevant:

- Host community cooperatives include refugees and displaced people as members.
- Refugees, displaced people and host communities organized into cooperatives by an international organization provide services for themselves and members of their communities.
- Refugees and displaced people form cooperatives to provide goods and services for themselves or their host community.

The PROSPECTS team therefore supported the formation of cooperatives as part of wider value-chain development. In coordination with the refugee-led Somali Lifeline Organization (SOLO), beekeepers and fodder growers were organized into cooperatives and associations. The beekeepers' association was convened at county level (in Garissa) to include both refugees and host community beekeepers. It ultimately came to play an important role in collectively identifying and lobbying around issues affecting the development of beekeeping production and value-added processes. The collective function also helped raise the beekeepers' agenda within the county and made their advocacy for changes more effective. The structure also provided a shared marketing platform for honey products in Garissa County markets. Both the beekeepers' and the fodder growers' associations were formally recognized as such at the county level, and both comprised refugee and host community members.

In Ethiopia, the cooperative assessment revealed two pathways as most relevant:

- Host community cooperatives provide goods and services to refugees and displaced people.
- Host community cooperatives include refugees and displaced people as members.

Interventions were targeted at the dairy sector, which was replete with dairy cooperatives and showed considerable productivity and job-creation potential. A partnership was established with Vétérinaires Sans Frontières Suisse to provide technical assistance to improve milk production and increase the productivity of livestock in Fanfan Zone and Somali Regional State, as well as to support entrepreneurship and cooperative development for women and young people in host and refugee communities. The support provided included the construction of a cooling facility managed by local authorities that benefits dairy cooperatives operating in the region. The market-system approach favoured by PROSPECTS Ethiopia involved securing the commitment of the private sector to the undertaking, which impacts refugees, since the private sector buys milk from local dairy cooperatives for resale. The ILO adopted a pragmatic and holistic approach for this initiative by combining different interventions, such as employment-intensive investment programming (EIIP), market-system analysis, cooperative development and skills development.

The PROSPECTS team in Sudan also supported cooperative formation as a measure to enhance production and market access in the groundnut value chain. Groundnuts were a key crop with export potential in PROSPECTS' areas of operation, namely the Asslaya and El Nimir camps in East Darfur and in Kailak and El-Mairam in West Kordofan. Moreover, there was a higher proportion of women participating as growers in groundnut production. The most relevant pathway was to support refugees and host communities to organize into cooperatives to provide services for themselves. The intervention organized female groundnut growers into cooperatives to address their otherwise limited access to markets. It also supported them with regard to value-added production and finance matters.

The regions in which the cooperatives were set up did not previously have a strong culture of cooperatives, so there was reluctance among the women to form them at first. A long period of awareness-raising preceded cooperative training, therefore, focusing on cooperative principles and value addition. To demonstrate the value of forming cooperatives, PROSPECTS facilitated collective access to a groundnut shelling machine, which improved the efficiency and quality of production processes. Furthermore, the larger volume of groundnuts as a result of the growers pooling their production attracted more buyers and gave the growers the power to negotiate higher unit prices. As in Uganda, tangible benefits like these really helped strengthen producer buy-in. Also as in Uganda, business development training and financial education were provided to build capacities – in this case, of the female groundnut growers.

▶ Support to social solidarity initiatives in Lebanon

Amid overlapping economic and political crises, the programme team in Lebanon engaged at the community level in Akkar, Bekaa and North Lebanon to launch social solidarity economic initiatives by rallying local community leaders to support their development and implementation. Local leaders were formed into SSE steering committees, featuring representatives from community-based organizations, cooperatives and municipal governments. The SSE steering committees underwent capacity-building to enable them to advise on SSE initiatives and navigate the challenges in the start-up phase. The initiatives themselves were developed in response to challenges identified through community-level assessments in the agriculture sector. These challenges related to the production process, limited value addition and market access. Selected initiatives were provided with training and seed funding, as well as ongoing guidance and mentorship from the steering committees.

As an example, one SSE initiative was developed in response to the high cost of greenhouses, which left low-income farmers without space to seed crops in colder months and thus their growing season was shorter. The SSE initiative provided shared greenhouse space to refugee and host community farmers for a small fee and on the condition that a percentage of their produce be made available, free of charge, for members of the community facing food shortages.

Because the committee members had an established leadership role in the community and were involved in the design and selection of initiatives from the outset, they invested heavily in their development. One marker of success was the signing of an MoU by one steering committee with its municipality, recognizing the committee's role in mobilizing and guiding SSE initiatives. While the success of the initiatives themselves was challenged by the severe economic downturn in the country, they still made a difference at the community level: as well as the social good that each one supported, they created 39 jobs.

As well as providing support to get SSE initiatives off the ground, the PROSPECTS team focused on the development of social enterprises (SEs) in sectors with job-creation potential. These sectors included agriculture, of course, but also those impacted by trade disruptions, giving domestic producers a chance to fill gaps due to the non-availability of traditionally imported goods. The team also supported enterprises that employed refugees or served them as customers, given the regulatory barriers faced by refugees in owning and registering their own entreprises in Lebanon.

The initiative supported 17 SEs in the main refugee-hosting areas with technical training (six months of one-to-one coaching and access to networking events) and grants (of up to US$20,000) to boost their operational capacity and expand their social impact. Despite all this support, however, the financial downturn made it very difficult for them to become established. Many could not achieve financial independence without external support, while others struggled to expand their social impact.

The experiences in Lebanon demonstrate the enthusiasm at local level to serve a social purpose and develop businesses. Being able to sustain the initiatives in the longer term and scale up impact, however, remain challenging against the backdrop of financial crisis. Micro loans and savings products might be potential mechanisms to develop business capital, but the volatility of the situation in Lebanon requires careful weighing up of the risk factors that can influence the potential for social impact. ■

▶Strengthening the cooperative movement in Jordan

In 2020, Jordan had nearly 1,500 registered cooperatives with more than 140,000 members, yet, for more than 20 years, the country had lacked a comprehensive cooperatives strategy. The economic and social contributions made by cooperatives were not very clear or well understood. There was also legal and administrative ambiguity, financial challenges, inefficient management structures, and a lack of awareness about shared cooperative principles and values. Although Jordan had a national body responsible for cooperatives – the Jordan Cooperatives Corporation (JCC) – this was fulfilling a largely administrative function, rather than supporting cooperative capacity and the practice of shared values. Cooperative initiatives were more common in the past, having first emerged in the 1960s in the form of rural credit societies, which provided farmers with credit, seeds and other inputs. The influence of cooperatives gradually diminished over time, as the State took on more of an ownership role. Revitalizing the cooperative sector therefore required a re-examination of the cooperative-State relationship and placing cooperative principles at the centre of cooperative operations.

Despite structural weaknesses, high unemployment and low job creation in the country, opportunities existed for cooperatives to become established and extend their services. For instance, they came to play a role in incorporating Syrian refugees into the labour market by issuing non-employer-specific work permits for the agriculture sector, in coordination with the Ministry of Labour. They also became a channel for donor funded projects to reach Syrian refugees and host communities with livelihood support, such as starting up home-based businesses.

Nevertheless, the cooperative movement was still relatively weak, so the PROSPECTS team focused on strengthening the movement at large, while continuing to support cooperatives' role as service providers and intermediaries in the refugee response. Action was taken both upstream and downstream, following an incremental approach that responded to needs and opportunities based on initial assessments of cooperatives' capacities. PROSPECTS also built on the ILO's history of working in Jordan and adapted the approaches of previous donor-funded projects that worked with agriculture cooperatives to serve Syrian refugees and host community members, mainly by facilitating the issuance of work permits.[a]

At the macro (policy) level, PROSPECTS supported the development of a national strategy, action plan and related review of the cooperative law. At the meso level, it enhanced the capacity of the JCC through training and support and used cooperatives' presence on the ground to raise awareness of labour rights among refugee and host community agriculture workers. At the micro level, services were provided through cooperatives, including through the Agricultural Guidance and Employment Units (AGEUs). These operate as employment centres within high-performing agriculture cooperatives, offering career guidance and job-matching services that reflect the daily and seasonal characteristics of employment in the sector. Cooperatives were also an entry point for the provision of training in labour rights, OSH and social protection in the agriculture sector, as they had been a principal participant in consultations on the development of an agriculture workers bylaw (2020). A network of trained cooperative representatives came to act as an extended field presence for the ILO under PROSPECTS, supporting regular farm visits and training for agriculture workers.

In 2019-2020, to inform the scope of its interventions in the cooperative sector, the ILO conducted assessments of the sector, made field visits to farms in the three largest refugee-hosting governorates and engaged in social dialogue with the Ministry of Labour, Ministry of Agriculture, the JCC and farmer associations.

By mid-2020, the ILO and the JCC had signed a memorandum of understanding to develop a National Cooperative Strategy, which set out a collective vision and identified priorities for action. This was launched by the Government in 2021. The Strategy (2021–2025) provided a policy tool and included an action plan focused on building the capacity of cooperatives and the JCC. One of the key outcomes of the Strategy was the revision of the Cooperative Law and its alignment with the ILO Promotion of Cooperatives Recommendation, 2002 (No. 193). Key legislation changes proposed included increased representation of cooperatives on the JCC board, tax exemptions for cooperatives and allowing non-Jordanians (including refugees) to join and form cooperatives. As of late 2024, however, these proposals had not been accepted, owing to the sensitivity around taxation and non-nationals joining cooperatives as full members.

a ILO monitored aspects in the implementation of the EU's rules of origin trade agreement with Jordan, through a project funded by the European Union (2017-2018). The agreement allowed for a relaxation of the rules of origin for Jordanian products to enter the EU, on the condition that products were produced on assembly lines that employed Syrian refugees.

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In parallel to this work upstream, the ILO used its technical expertise to develop a national training institution within the JCC. Prior to its engagement with PROSPECTS, the JCC's main focus was on administrative procedures but with the programme's support under the Strategy and the associated action plan, it refocused its efforts on promoting cooperative principles and building the capacities of cooperative members. The ILO's participatory approach to the development of the Strategy, the JCC's training of trainers and adaptation of COOP tools (Think.COOP, My.COOP and Start.COOP) to the local context (including translation into Arabic) facilitated a change in understanding of the role cooperatives and cooperative apex organizations play in local and national development. As a mark of progress, the ITCILO (International Training Centre of the ILO) had to translate and adapt its platform and tools to accommodate a surge in demand inspired by the JCC's engagement in cooperative development. This demand came from cooperative institutions in both Iraq and Lebanon.

In addition to the standard COOP tools, the JCC and the ILO developed and piloted an occupational safety and health (OSH) tool and a tool on the role of cooperatives in eliminating child labour. Both responded to decent-work deficits that were evident in the agriculture sector and the role of cooperatives at a local level to help address them. The PROSPECTS team and the JCC facilitated training for Lebanese, Syrian and Iraqi cooperative institutions and their members, using COOP training tools to build a network of COOP trainers at the national level. Outside of PROSPECTS, the JCC shared its knowledge and experiences with Morocco as it revised its own strategy. Moreover, the JCC was able to mobilize resources beyond PROSPECTS, thanks to its new capacities and certified role as a training institution. The Cooperative Strategy's action plan also prioritized key outputs, which made it easy for the JCC to engage potential funders around clearly defined areas.

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At the micro level, AGEUs operated within agriculture cooperatives that had a history of facilitating agricultural work permits for Syrians. In the absence of formal and regulated employment, the sector saw the emergence of a network of informal labour brokers, called the *Shaweesh*. AGEUs helped formalize job placements in the sector and had dedicated staff to support Syrian refugees with the issuance of work permits, provide career counselling and refer them to employers/farmers on a daily and seasonal basis. AGEU staff conducted awareness-raising sessions with refugee and host community agriculture workers to explain the benefits of social security, work permits and other measures of formalization. Critically, they did so by visiting farms to provide in-person sessions, thereby also giving agriculture workers a point of contact. Between March 2021 and January 2022, they registered more than 3,600 agriculture workers for their services and supported close to 3,400 work placements, as well as providing labour-market information and labour-rights training. More than 2,500 work permits for Syrian workers were also facilitated through these units. In addition, the cooperatives and AGEUs were used as an entry point for raising awareness among workers of social security in the agriculture sector and for addressing the risks and instances of child labour. Cooperative members served on local child-labour committees,[b] where they helped identify potential and actual instances of child labour in the agriculture sector and facilitate case management processes in coordination with UNICEF and local service providers.

Although the cooperative legislation introduced challenges in terms of fulfilling the principles of equality and inclusivity, the PROSPECTS team was able to work on strengthening the application of such principles downstream, while also supporting the review of laws and policies to support them. The ILO's specialization in cooperative policy-making, capacity-building and development enabled it to work at both levels and as a strong technical partner to the JCC. The parallel upstream and downstream work helped facilitate a shift in understanding of the cooperative movement at large. As one interviewee noted, stakeholders such as the Ministries of Labour and Agriculture and the JCC now share a common vision and understanding, and "speak the same language" on cooperative development. The intervention in Jordan's cooperative sector also demonstrated the spillover benefits of horizontal integration. Cooperatives are pathways and entry points for various humanitarian and development interventions, as exemplified by the efforts to address child labour, OSH and social security. They also add value by localizing these services and adapting them so that they are relevant for the community they serve. ■

b PROSPECTS Jordan set up local committees to identify and address instances of child labour. These were made up of teachers and representatives of cooperatives, community-based organizations and and at the directorate level ofthe Ministry of Social Development.

9.2 Narrative and lessons learned

Operational lessons learned

Addressing gaps in national cooperative strategies and strengthening associated capacities

Addressing cooperative development within the framework of wider national development plans and strategies is one way to prompt action both up- and downstream. In Kenya, the PROSPECTS team worked on the issue in the context of the Cooperative Transformation Strategy and the prioritization of cooperative development under the national Bottom-Up Transformation Agenda (BETA). This then led to a request for PROSPECTS to support further review of cooperative legislation and to build capacities using COOP tools. The latter included training trainers from the Ministry of Cooperatives and MSMEs, the State Department of Cooperatives and county governments. In Jordan, the development of the Cooperative Strategy was led by the JCC and accompanied by an action plan, which prioritized areas in need of support. This too led to a request to review legislation, namely the Cooperative Law and associated bylaws. In parallel, the JCC built up its capacity to serve as a cooperative training institution, using ILO COOP tools. Revised legislation subsequently went before parliament, which served to enhance the importance of expressing cooperatives' principles and values in law. Having a national-level plan that is concrete and actionable also means there can be accountability. In the case of Jordan, the JCC had to report on progress under the Strategy to its Board of Directors. Accountability also makes it easier for development partners and external actors to channel support in a way that is grounded in assessment of cooperatives' strengths and weaknesses.

Demonstrating the added value of cooperatives in contexts of forced displacement

As described above, the interest in and value of developing and strengthening cooperatives differed depending on the context in which PROSPECTS was operating. In Kenya, local camel-milk producers saw value in joining forces as part of the development of a wider value chain. In Uganda, cooperative structures, including VSLAs, were already established and could be built on and strengthened. In Sudan, a long period of awareness-raising, training and learning-by-doing was required before female groundnut producers from the refugee and host communities felt comfortable shifting from individual production to a cooperative structure. The added value of collective production was particularly relevant for female growers from the refugee community, who generally had lower levels of social and financial capital compared with their counterparts in the host community. It was important in this case for the programme to accompany cooperatives to the point where they saw the added value. In Uganda, refugee soya growers could not access land for cultivating beyond a subsistence level, but by forming a cooperative, they were able access more land alongside members of the host community. In Kenya, an association structure allowed beekeepers to collectively advocate for changes at the county level and use a shared platform to market their honey. Having tangible benefits in the short term was one measure to ensure the continued buy-in and ownership of members of cooperatives.

Supporting the financial capacity of cooperatives and their members

In addition to training, cooperatives often received support in the form of financial education and access to finance. This helped maintain cooperative activities and support the livelihoods of cooperative members. In Uganda, the example of VSLAs has already been referred to as one measure to support the long-term financial sustainability of cooperatives and benefit their members. The soya-bean farmers who were organized into producer groups with Ripple Effect accessed a total of US$42,600 through their VSLAs, in the form of revolving loans. In Ethiopia, PROSPECTS used cooperative formation as a risk mitigation mechanism for engaging with commercial banks. The team partnered with Shabelle Bank to

extend financial products in refugee settlements. To facilitate the opening of bank accounts for refugees who lacked forms of collateral and were unable to meet know-your-customer (KYC) requirements,[73] the team helped form cooperatives, for which the commercial bank could then open group bank accounts.

Refugees' legal right to form and join cooperatives

Self-help groups and informal community initiatives can be a source of support for refugees, but access to the government support and financial services that are provided to recognized cooperatives and cooperative members is more useful. For refugees, access to these depends on whether or not they may join cooperatives to support their income and livelihoods. With the exception of Ethiopia, none of the PROSPECTS countries has laws or policies that explicitly provide for refugees' right to join cooperatives. In Ethiopia, the Refugee Proclamation guarantees this right. In Jordan, non-nationals, who can be assumed to include refugees, are not allowed to become cooperative members or form their own cooperatives. They do, however, receive services that are facilitated by cooperatives, with donor support. In Uganda, Kenya and Sudan, they are not restricted from joining – and, in these countries, refugees are participating as active members of cooperatives and hold positions of leadership – but their right to do so is not made explicit. As demonstrated in the case of Jordan, changing the law to give membership rights to non-nationals can be sensitive and takes time. As demonstrated in the case of Kenya, however, having explicit references to refugee inclusion in country strategies can ensure cooperative movements address refugee inclusion as a cross-cutting area of concern.

9.3 Sustainability

Proof of the sustainability of the cooperative interventions under PROSPECTS would ultimately be their ability to provide enhanced services, including access to local markets, and added value for their members, including refugees. This raises questions around refugees' legal rights to form and join cooperatives, cooperative financing and capacities. Regarding legal rights to participate in cooperatives and the wider social solidarity economy, these are directly linked to the right to form and engage in enterprise (self-employment). Most PROSPECTS countries also have distinct laws and policies governing cooperatives in general. [74]

Programme teams tried to influence policy-makers to reinforce cooperative principles in existing cooperative strategies. Changes to laws are more time-consuming to bring about and are subject to approval by multiple levels of government. Work on national strategies and frameworks was quicker to have an effect. For example, in Jordan, the aim of the revision of the Cooperative Law was to align it with ILO Recommendation No. 193 and the ILO resolution concerning decent work and the social and solidarity economy. The process stalled, however, when the recommended amendments were referred by parliament to the Ministry of Finance. Nevertheless, in the absence of legislative change, PROSPECTS in Jordan was able to make progress in its work under the Cooperative Strategy.

Sustainability also depends on the capacities of cooperatives and apex cooperative organizations, at both national and local levels. Training trainers in Start.COOP, Think.COOP and My.COOP created a network of nationally based trainers and contributed to tailoring training content and methods to local contexts. In the case of Jordan, this training focused on the JCC. Institutionalizing capacities like this allows for continual capacity-building of cooperatives at a national level.

73 Know-your-customer requirements refer to the identifying information, such as name, address, national identification number and proof of assets, that commercial banks and other financial institutions typically require from customers to assess their risk and suitability.

74 Hagen Henrÿ, *Guidelines for Cooperative Legislation*, 3rd edition revised (Geneva: International Labour Organization, 2012).


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When it comes to creating and supporting cooperatives themselves, most PROSPECTS teams included a financial element to help cooperatives and SSE initiatives get started and keep going. The examples with Ripple Effect in Uganda and Shabelle Bank in Ethiopia illustrate how facilitating access to revolving loans and savings helps pool and sustain finance in the long term, independent of external support. Helping existing cooperatives expand services sustainably also needs to be linked to a forward-looking financial plan. Capacity needs to be aligned with financial feasibility, as there is risk in expanding cooperative services too quickly. For instance, in Jordan, the addition of AGEUs introduced new services within existing cooperatives. While there was a will to offer these employment services on the part of cooperatives, they lacked financing to continue them independently of the project.

9.4 Integration with other areas of work

When set up, cooperatives and SSE initiatives link to multiple areas of ILO work. They are key actors in value chains and stand to benefit from business development services, financial education and access to finance. They can also serve as an effective outreach body for raising the awareness and building the capacities of their members and workers regarding labour rights, including OSH and child-labour issues. In Jordan, the PROSPECTS team engaged the staff of one of the largest cooperatives in the country to conduct awareness-raising on labour rights with agriculture workers. The same representatives also served as members on local child-labour committees that the programme team had set up in response to the high incidence of refugee children working on farms.

In Ethiopia, Kenya, Uganda and Sudan, cooperative structures were supported as a part of value-chain development. This involved helping individual refugee and host community producers/farmers organize into collective groups where they could pool resources and production and therefore gain both bargaining power with buyers and access to markets. In Ethiopia, cooperative formation and development was part of a wider integrated market assessment. The cooperative structures there were particularly useful for refugee farmers/producers who lived at a distance from markets and buyers.

Linking cooperative structures to finance was also a measure of sustainability. In Uganda, the formation of a group of soya-bean farmers also included the establishment of VSLAs, which pooled financial resources among members. In Ethiopia, refugees and host community members who failed to meet KYC requirements were given access to a commercial bank account as a cooperative. This was negotiated and approved with a partner, Shabelle Bank, working on financial products for refugees and host community members. Access to the commercial bank account also came with financial education training.

The country where there were the most links with other programme areas was Jordan, as agriculture cooperatives took on the function of service providers for Syrian refugees. This included facilitating work permits for the refugees, supporting awareness-raising on labour rights and rolling out OSH training. Because cooperative representatives were at the local level, they could more easily access farms and hold information sessions for workers during break times.

9.5 Challenges

The first key challenge to emerge from the cases was moving towards formal cooperative and SSE structures. Most countries had laws and procedures to register and recognize cooperatives nationally, yet informal cooperative structures usually already existed. These included informal community initiatives, self-help groups and savings associations. These networks can be supported in terms of capacity-building and moving towards formalization and recognition. Whether or not they will do so, however, will largely depend on the costs and benefits as they perceive them. For example, in Kenya, Somali refugees in Garissa County were not interested in formal groups. They had informal cooperative networks and didn't want to formalize them for reasons of cost and government procedures. Women working along the camel-milk value chain also preferred to remain in a loose network and had not pursued registration.

In other instances, policies and procedures to register cooperatives were underdeveloped. For example, in the Kurdistan Region of Iraq, the absence of a cooperative law meant that cooperatives had no way to register formally. In this case, they registered as non-profit organizations. Similarly, in Lebanon, there was no category for social enterprises, so the SEs that did seek out formal recognition also had to do so as non-governmental organizations. This distanced them from the principles and values that are normally associated with SEs and cooperatives. PROSPECTS teams had to work on raising awareness regarding the principles of cooperatives to ensure common understanding in the absence of a unified vision.

The capacity of apex cooperative organizations was the second main challenge to the development and growth of informal and existing cooperatives. Where such organizations lack strong leaders, there may be a disconnect between cooperative needs and the services provided.

Lack of trust and social cohesion between groups was also a barrier to the formation of cooperatives and SSE entities. In times of heightened economic and social crises, fostering the development of cooperative structures can be difficult. For instance, in Lebanon, the PROSPECTS team had to make sure to select areas for SSE formation where there were good relations between members of the refugee and host communities – particularly in light of the heightened sensitivities around refugees' presence in Lebanon during the economic downturn. In Sudan, the formation of cooperatives of groundnut producers initially encountered pushback. A long period of awareness-raising on cooperative principles and added value was therefore necessary. Demonstrating the value of collective production through the provision of a groundnut shelling machine helped increase willingness to join the cooperatives.

Another challenge was the lack of regulation supporting the inclusion of refugees in cooperatives. As noted, in most countries, there weren't any specific laws that included or excluded refugees from forming or joining cooperatives. In the absence of an affirmative law or policy, such as Ethiopia's Refugee Proclamation, there is a risk that cooperatives may not meaningfully engage refugee members, or that refugee-led cooperatives may not be recognized formally. In Jordan, where non-nationals are explicitly barred from joining and forming cooperatives, refugees are merely recipients of donor-funded services facilitated by cooperatives. In comparison, Ethiopia's specific provision for including refugees in the cooperative movement made it easier for the PROSPECTS team to facilitate refugees' access to bank accounts by working with a partner bank, which agreed to open group accounts for the cooperatives.

Key takeaways

- Most forcibly displaced people come from fragile and conflict-affected states, where social contracts have been undermined. Establishing structures that the local community trusts, as well as strengthening local governance, are both aspects of peace-building.
- There are seven possible pathways via which cooperatives can engage with host and refugee/displaced populations and frame relevant programming:
  - Host community cooperatives provide goods and services to displaced people and refugees.
  - Host community cooperatives recruit displaced people and refugees as workers.
  - Host community cooperatives include displaced people and refugees as members.
  - Host communities provide capacity-building and training for displaced people and refugees to set up their own cooperatives.
  - Refugees and displaced people form cooperatives to provide goods and services for themselves or their host community.
  - Refugees, displaced people and host communities organized into cooperatives by an international organization provide services for themselves and their communities.
  - Returning refugees and displaced people rebuild their own communities through cooperatives.
- Cooperative development helps localize service delivery and can facilitate market access for refugees, forcibly displaced people and members of the host community through both practical assistance and collective action.[75]
- For refugees, joining cooperatives to support their income and livelihoods depends on whether or not they are legally allowed to do so. With a few exceptions, cooperative legislation is not explicit regarding refugees' rights and participation. In contexts where this right is restricted, self-help groups and informal community initiatives can provide a source of support, but access to government help and financial services rests on formal recognition as a cooperative and/or cooperative member.
- The revision of cooperative laws and bylaws can be time-consuming and subject to multiple levels of government review and approval. Having a national strategy that is concrete and actionable can be an intermediary step to support cooperative development, which can occur in parallel to the review and/or drafting of laws and policies.
- Addressing cooperative development within the framework of wider national development plans and strategies, including the issues of localization and formalization, is one way to galvanize support from policy-makers and prompt action both up- and downstream.
- Highlighting cooperative principles such as solidarity and equality can help promote the inclusion of refugees in cooperatives. The ILO Promotion of Cooperatives Recommendation, 2002 (No. 193) is a reference point in this respect.
- The ILO's COOP training tools and approaches support apex cooperative organizations to expand their function as capacity-building institutions, extending services and support into refugee-hosting areas.
- By joining forces, refugee and host community farmers/producers can use their collective power to tackle such issues as access to land, negotiating prices with buyers and improved access to community infrastructure. This is particularly relevant for refugees, who generally have lower levels of capital and restricted rights to own land and register businesses.
- Alongside cooperative capacity-building and training, financial education for cooperatives and support to help them access financial services can help them maintain their activities and support the livelihoods of cooperative members. Such support can be provided by creating and/or strengthening savings groups, such as VSLAs, or engaging with commercial banks or microfinance institutions. Any provision of grants or cash assistance should be tied to relevant milestones, to ensure efficacy.
- Where cooperative members lack the necessary collateral and documentation to open a bank account or access financial products, engaging with commercial banks as a cooperative can serve as a guarantee mechanism.

75 ILO, Mapping Responses by Cooperatives and Social and Solidarity Economy Organizations to Forced Displacement, 2020.



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10

Social protection

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Social protection, or social security, aims to protect individuals and families against various risks experienced at different stages of life. It reduces poverty and inequalities, contributes to enhancing productivity and employability, injects cash into local markets and supports economic growth. Social protection plays a key role in ensuring inclusive responses to crises, promoting a just recovery and building resilience, adaptiveness and preparedness for future shocks. The ILO supports countries in building comprehensive national social protection systems that are rights-based, universal, inclusive and embedded in law, based on international social security standards. These systems should at least include social security guarantees that ensure access to essential healthcare and income security for all throughout the life cycle (social protection floors) and, in parallel, aspire to providing higher levels of protection in line with prevailing social security standards. PROSPECTS supported the strengthening and extension of national social protection systems and the inclusion of forcibly displaced people and host communities in Jordan, Lebanon, Kenya, Ethiopia and Egypt.

Access to social protection for all members of society, including refugees and their families, is anchored in the human rights to social security and health. These rights are embedded in many international and regional human rights instruments, including the 1948 Universal Declaration of Human Rights, the 1966 International Covenant on Economic, Social and Cultural Rights (ICESCR), the 1989 Convention on the Rights of the Child and the 1951 Convention Relating to the Status of Refugees (hereafter referred to as the 1951 Convention). The 1951 Convention contains more detailed and important provisions on welfare and social security specifically for refugees (Articles 20–24).

ILO social security Conventions and Recommendations guide countries in giving effect to the human right to social security by designing and maintaining comprehensive social protection systems. They establish the key principles of governance and financing, as well as minimum benchmarks of protection to be achieved with respect to the people covered, eligibility conditions, duration and level of benefits. Many include specific provisions that are relevant for refugees, including the principle of equality of treatment between nationals and non-nationals.[76]

10.1 Description and key approaches

Social protection interventions in PROSPECTS countries drew on a decade of ILO experience working with UNHCR[77] on the inclusion of refugees in social health protection schemes and were based on the ILO strategy[78] to extend social protection to migrant workers, refugees and their families. The ILO, in its work in this regard, takes a holistic and participatory approach based on international labour standards, anchored in social dialogue, and involving organizations representative of migrant workers and refugees. Such an approach takes into account the following factors, which influence migrant workers' and refugees' access to social protection: the labour migration and mobility landscape; the availability, level and scope of social protection provision in countries of origin and destination; and the heterogeneity and specificities of migrant workers, refugees and their family members, including their demographic characteristics, migration, residence and employment status, duration of stay and type of employment, skill sets, income level, and the industry or sector in which they work.

76 See ILO 2021, *Intervention Model: for Extending Social Protection to Asylum Seekers and Refugees*, ILO Brief, November 2021

77 ILO and UNHCR, 2016, "Memorandum of Understanding Between the International Labour Organization and the Office of the United Nation High Commissioner for Refugees", signed in Geneva on 1 July 2016, and the associated joint plan of action (2023–2025). https://www.ilo.org/publications/ilo-unhcr-joint-action-plan-2023-2025

78 The *ILO Strategy on Extending Social Protection to Migrant Workers, Refugees and their Families* is aligned with relevant international labour standards and based on guidance provided by ILO tripartite constituents, in particular the ILO Governing Body documents *Securing Social Protection for Migrant Workers and their Families*: *Challenges and Options for Building a Better Future*, GB.344/POL/1, March 2022; and GB.326/INS/14Add.(Rev) with respect to the *Guiding Principles on the Access of Refugees and Other Forcibly Displaced Persons to the Labour Market*, elements of which have been incorporated into the ILO Employment and Decent Work for Peace and Resilience Recommendation, 2017 (No. 205).

1. Mainstreaming refugee inclusion in national social protection policies

PROSPECTS built partnerships internally with other ILO projects focused on strengthening social protection systems in the countries where projects were active, and adopted a mainstreaming approach to refugee inclusion in national social protection policies. This had not been done before in a systematic way within ILO country operations on social protection, so PROSPECTS demonstrated that mainstreaming refugee inclusion in ILO advocacy and policy work on social protection was feasible, effective and fostered partnerships with humanitarian actors typically isolated from such policy processes (for example, UNHCR and UNICEF). Bringing the topic of forcibly displaced people's right to social security into discussions and formulations of national social protection strategies and laws increased the likelihood that those systems would be inclusive and responsive to shocks and crises.

In Kenya, in partnership with the National Social Protection Secretariat in the country, PROSPECTS supported the formulation of a national strategy to extend social protection to workers in the informal economy and their families, explicitly including refugees. The strategy was adopted in 2023. The Government of Kenya further explicitly included refugees in the new Social Health Insurance Law, also adopted in 2023. In Egypt, Sudan and Ethiopia, programme teams supported the review of national social protection strategies and advocated for the inclusion of refugees and non-nationals on a par with nationals.

For example, in Egypt in 2018, the Universal Health Insurance (UHI) law was enacted as part of the government's commitment to progress towards universal health coverage. The new scheme was implemented in phases between 2019 and 2022. Refugees' access to healthcare was regulated through a Memorandum of Understanding (MoU) signed between the Ministry of Health and Population and UNHCR. This MoU granted refugees and asylum-seekers from all nationalities access on a par with nationals to health services financed through the Ministry of Health and Population.

The ILO and UNHCR jointly assessed the feasibility of including refugees and asylum-seekers in Egypt's UHI scheme. The feasibility study evaluated the provision of healthcare services to the refugee and asylum-seeker populations, their contributory capacity, the costs associated with their inclusion, as well as practical steps to include them. Among other things, the study:

- found that UHI established a legal framework to extend social health protection to the entire population, offering a pathway to including refugees in the UHI scheme on a par with nationals;
- proposed costed policy options for refugee inclusion based on socio-economic status. Various scenarios were considered to assess which refugees could pay contributions;
- highlighted the need for greater focus on the informal economy, in which a significant share of refugee households is likely to work. In particular, the mechanisms to identify, enrol and collect contributions from workers in the informal economy need to be strengthened and the vulnerability assessment currently in use needs to be reviewed.

The feasibility study led to a series of engagements by the government, development partners and donors to build consensus on the findings and on the way forward. The Government of Egypt agreed to pilot the inclusion of refugees and asylum-seekers in two governorates and to establish a Technical Working Group to discuss the practical and operational steps to including refugees, as well as build in evaluation mechanisms to learn from the forthcoming pilots in the two governorates (chosen because they are home to the largest numbers of refugees).

2. Operational inclusion of refugees in social protection schemes

PROSPECTS built on the approach developed through the ILO-UNHCR Memorandum of Understanding and Joint Action Plan rolled out over the decade preceding PROSPECTS. Initially, it focused on refugee inclusion in social health protection schemes, around which political will regarding inclusion was generally higher (for public health reasons, as well as perceived need), but then also turned its attention to additional types of benefits throughout PROSPECTS. In doing so, the programme identified three main entry points to engage in social protection:

1. The continuous interest in and demand for including refugees in national health insurance schemes, which were increasingly developing in Africa and the Middle East – inclusion studies of these schemes were conducted or ongoing in Lebanon, Kenya, Egypt, Ethiopia and Sudan.

2. The possibility to mainstream refugee inclusion within programmes targeted at reducing informal work – this was of particular relevance to economies in Africa and the Middle East, such as in Jordan, through the Estidama++ fund run by the Social Security Corporation (see case study later in this section).

3. The openness in some contexts to expanding social assistance to refugees and other forcibly displaced people, not only for health insurance but also for long-term benefits targeted at older people and/or those living with disabilities – inclusion of refugees and other forcibly displaced people in social health protection schemes is strongly aligned with national public health objectives and benefits from greater political acceptability. Short-term benefits, such as maternity, sickness and child benefits, can further be used to mainstream inclusion in national social protection strategies and longer-term benefits. This was the case in Kenya, where an inclusion study of the Haba Haba[79] long-term savings scheme was carried out, as was a feasibility study of a maternity cash benefit that was also paid to non-nationals, including refugees. The feasibility study also sought to align the 70+ cash transfer programme. In Lebanon, a national disability allowance was introduced, which was available to both nationals and non-nationals on the same basis.

The inclusion of refugees in social protection, developed in response to UNHCR demand for ILO expertise, proved scalable through PROSPECTS operations, effectively allowing for the channelling of humanitarian funding through social protection systems. Through PROSPECTS, a "shared" technical specialist on social protection was able to work across the ILO and UNHCR, which proved instrumental to reinforcing the partnership and expanding joint operations.

It is important to note that the demand for ILO expertise, particularly on strengthening social protection systems, scheme design and financing, increased throughout the duration of PROSPECTS the extent of the demand for ILO expertise and the number of partners requesting it increased. This increased demand was not just observed in countries with protracted refugee situations, where UNHCR was handing over operations, including registration, case management and protection, to local authorities. The handover of operations was the initial scope of interest for UNHCR partnering with ILO. Over time, the scope of interest for partnership increasingly also included work with UNICEF and the World Bank, as in Lebanon (see case study on page 150).

While interest for channelling humanitarian funding through social protection systems has increased, successful transitions out of humanitarian support and into employment and contributory social protection are required to support national social protection systems and strengthening their institutional capacities. PROSPECTS teams managed to take advantage of other ILO projects dedicated to system strengthening in several countries, illustrating that it is better to have a system-building component in work on refugee inclusion.

79 The Haba Haba savings scheme, launched by the National Social Security Fund (NSSF) in Kenya, targets members in the informal economy.

▶ Case study: Kenya

Prompted by the COVID-19 pandemic, the Government of Kenya developed a keen interest in extending social protection to workers in the informal economy. PROSPECTS, together with the UN Food and Agriculture Organization, conducted a study of social protection coverage and gaps for workers in the informal economy, including refugees. Based on the outcomes, the programme team supported the extension of the national strategy for social protection to the informal economy. The refugee aspect was mainstreamed in the strategy, to include them from the outset. This was done through various stakeholder consensus-building workshops and events. In November 2023, the strategy was launched and implemented in two counties.

In parallel, the Kenyan National Health Insurance Fund (NHIF) approached the ILO to develop and cost a universal maternity benefit for the country. PROSPECTS joined forces with an EU-financed social protection and public financial management project to design and cost a maternity income benefit for women in the informal economy. Female refugees enrolled in the NHIF also received a new maternity cash benefit. Several workshops were conducted with key stakeholders to agree on the design.

As refugees in Kenya were working almost exclusively in the informal economy and had limited access to banking or other savings mechanisms for old age, the programme team worked closely with the NSSF to adapt the Haba Haba voluntary savings scheme to the needs of refugees. The decision to do so stemmed from a feasibility study conducted by the ILO, which identified the main barriers to refugee participation in the scheme and considerable stakeholder interest in developing a joint national roadmap for including refugees in the scheme. One of the key issues was lack of proper documentation, which prevented many refugees from enrolling in the scheme. In response, the registration requirements were modified and continuous dialogue between the NSSF and the Department of Refugee Services facilitated effective coordination. In addition to simplifying the registration processes, the adaptations included mobile-based platforms so that refugees did not need to rely on banking infrastructure, flexible contribution structures and the option to make early withdrawals in case of repatriation. Information materials in several languages were also provided and community outreach efforts were made. The outreach activities by partners were accompanied by financial literacy programmes targeting refugees. Bringing all stakeholders together helped overcome some entrenched barriers – for example, the Department of Refugee Services accelerated the issuance of refugee IDs in partnership with the National Registration Bureau, helping refugees obtain the necessary documentation for inclusion in the scheme. This adaptation of a social security scheme is an important development in moving away from a humanitarian and towards a more sustainable development approach to refugee support in Kenya. ■

▶ Case study: Jordan

Estidama++ was designed to extend social security coverage to vulnerable worker groups, including refugees, women, self-employed individuals and those in informal sectors, such as agriculture and small enterprises. Administered by Jordan's Social Security Corporation (SSC), with technical support from the ILO and initial funding from the Kingdom of the Netherlands under the PROSPECTS Opportunity Fund, the programme has registered more 37,500 workers as of March 2025, more than half of whom are non-nationals, including refugees. It introduced contribution subsidies and tailored communication and outreach strategies to reach previously unregistered groups. Estidama++ was used by the SSC to enhance social protection, while addressing barriers to formalization.

Estidama++ introduced targeted social security contribution subsidies to workers and employers to address affordability barriers faced by the self-employed and waged workers with low and unstable incomes. The programme prioritized outreach for refugees in collaboration with UNHCR to overcome barriers like mistrust of national institutions and limited awareness of social security benefits. This included face-to-face outreach conducted with SSC representatives, the Ministry of Labour and UNHCR, including within the two largest refugee camps. A small cash reward was also introduced to promote the payment of contributions.

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A two-way chatbot was developed and piloted with SSC, allowing it to target communication to and gather information about potential and current members. In analysing data and collecting feedback throughout implementation, the programme identified areas for improvement and adjusted programme design. For example, higher attrition rates were observed among women and self-employed workers. This highlighted structural barriers that these particular groups faced, such as short-term contracts in the female-dominated education sector and irregular monthly incomes of self-employed individuals. This prompted a refinement of the subsidy design. By November 2024, 92 per cent of those who had registered for social security through the Estidama++ programme had transitioned into regular social security and continued to make contributions independently of the programme's subsidy.

The achievements of the Estidama++ programme and the way in which it addressed the gaps identified can serve as a blueprint for extending social protection to refugees and other groups of vulnerable workers. Estidama++ began as a targeted effort to use humanitarian funding for expanding social insurance coverage, focusing on contribution subsidies to incentivize formalization. However, expanding the coverage sustainably required a broader, systemic approach. Addressing challenges like affordability, relevance and financial sustainability demands solutions that integrate social protection with fiscal and employment policies, rather than relying solely on financial incentives.

Through Estidama++, the ILO was able to support SSC in developing a long-term vision for reform. This systemic approach emphasizes addressing structural barriers and aligning social protection with Jordan's economic modernization goals, ensuring equity and inclusivity for all workers, including those in non-traditional or informal employment. By using Estidama++ as an entry point, PROSPECTS has helped build a foundation for more comprehensive reforms that move beyond fragmented approaches to create a resilient and inclusive social protection system. ■

▶ Case study: Lebanon's National Disability Allowance

PROSPECTS Lebanon contributed to an existing two-year, EU-funded social grants programme for people with disabilities, known as the National Disability Allowance (NDA). The ILO and UNICEF signed an agreement on collaborating with the Ministry of Social Affairs to provide people with disabilities (PWDs) with basic income support. This marked a shift from the "targeted social assistance" approach to a universal approach. The overall approach was inclusive across communities, not just for Lebanese PWDs, providing an entry point for the extension of the NDA to refugee PWDs.

PROSPECTS' NDA funding was channeled into the NDA but came with the expectation that the caseload it covered would include refugees. This was significant, because the NDA was administered by the Ministry of Social Affairs and donor resources were used to support extending it to refugees. The NDA amounted to US$40/month for an initial 12-month period, along with referrals to additional services based on needs. The programme started in April 2023 and targeted people with disabilities residing in Lebanon and aged between 18 and 28 years.

PROSPECTS funding was also used to top-up NDA benefits for caseloads living in the South, at a time when conflict in Gaza started to spill across borders. While the top-up NDA funding wasn't initially planned for, the outbreak of crisis in the South called for additional support and led the ILO to submit a request to the donor to repurpose funds from other planned activities. This was ultimately approved by the donor and supported by the ILO Regional Programme Unit. The NDA was able to continue to issue grants and effectively reach the target groups. ■



3. Generating evidence of the inclusiveness of social protection systems in conflict-affected settings

PROSPECTS supported further development and dissemination of tools and evidence on the inclusion of refugees and other forcibly displaced people in national social protection systems. In particular, it supported the launch, dissemination and practical application of an ILO-UNHCR handbook on social health protection for refugees, published at the onset of the PROSPECTS partnership in 2020.[80] Incorporating tools specific to refugee inclusion also featured in another ILO guide, on extending social protection to migrant workers, refugees and their families in 2021.[81] This guide was also used in courses at the International Training Centre of the ILO (ITCILO) on social protection for migrants and refugees, and on social health protection. The courses are held yearly, to reinforce the capacities of national social protection institutions, ILO constituents, humanitarian and development partners.

A global mapping of country-level provisions for the exclusion and inclusion of non-nationals, including refugees, provided a baseline for country programmes supporting the extension of social protection. The mapping provided an overview of social security legal provisions across countries and served as a basis to estimate the share of refugees and migrants legally entitled to social protection.

The products developed by PROSPECTS at both country and global levels fed into humanitarian-development-peace nexus reflections on social protection, showcasing how lessons learned from PROSPECTS reached a larger audience on social protection and demonstrating the catalytic effect of evidence in strengthening social protection systems. Reflections on the humanitarian-development nexus included:

- the Social Protection Inter-Agency Cooperation Board working group on linking humanitarian (cash) assistance and social protection;
- the Grand Bargain reporting framework;
- the Global Refugee Forum and Global Compact on Refugees reporting framework;
- the P4H social health protection and health financing network;
- the UNHCR-WHO led Group of Friends of Health for Refugees and Host Communities.

80 ILO, *Handbook on Social Health Protection for Refugees: Approaches, Lessons Learned and Practical Tools to Assess Coverage Options*, November 2020.

81 ILO, *Extending Social Protection to Migrant Workers, Refugees, and their Families: Guide for Policymakers and Practitioners*, November 2021.

10.2 Narrative and lessons learned

Operational lessons learned

Systems-building and operational expertise

Partnerships with humanitarian actors can and should be built to ensure the effective inclusion of refugees and other forcibly displaced persons in national systems. On the one hand, demand is increasing for ILO expertise on social protection, particularly its unique skill set and mandate regarding the holistic approach to social protection policy and systems-building and its operational expertise in scheme design, financing and delivery. This demand comes from national social protection systems themselves but also agencies engaged in humanitarian operations (including UNHCR and UNICEF).

On the other hand, humanitarian actors have a unique understanding of forced displacement, and the related needs and politics, as well as direct reach to forcibly displaced communities. Combining the expertise of traditionally humanitarian partners and the ILO has proven instrumental to bringing humanitarian and development operations together – for example, through partnership programmes such as PROSPECTS. A particularly successful element, in this regard, has been the sharing of human resources, such as in the case of the joint UNHCR-ILO technical specialist position based in the Horn of Africa. This position helped strengthen action to extend social health protection in the region, and promoted communication and coordination between the two agencies.

ILO programming on social protection in the humanitarian-development-peace nexus

The approach developed by the ILO and implemented by PROSPECTS has proven innovative and unique as regards social protection within the humanitarian-development-peace nexus. Nevertheless, the visibility of the ILO in this space remain limited in comparison with the work and visibility of other actors. More resources and attention need to be devoted to showcasing the organization's value addition, particularly to strengthen social protection systems at country level.

Value added by the ILO in terms of including refugees in rights-based social protection systems

PROSPECTS proved that the approach developed by the ILO to respond to the needs expressed by UNHCR during the decade preceding the project was scalable and valid. PROSPECTS validated the ILO added at both policy and operational levels to include refugees in national social protection systems rather than humanitarian assistance run in parallel. This was extremely relevant in contexts where resources for humanitarian assistance are diminishing, necessitating a push for self-reliance grounded in employment.

Challenges in channelling humanitarian funds through social protection schemes

While the approach and value proposition of the ILO are, overall, more cost-effective than building parallel channels to provide emergency social protection, channelling humanitarian funds through social protection schemes remains operationally challenging and the transition to domestic financing is often a sticking point and one that requires increased ILO attention.

▶ Case study: Ethiopia

In Ethiopia, the ILO and UNHCR conducted a study to assess the feasibility of enrolling urban refugees and asylum-seekers in the community-based health insurance (CBHI) scheme in Addis Ababa. The study found that this was feasible and offered advantages over the UNHCR-provided life-saving and emergency treatments, in that CBHI inclusion would not only improve the financial protection of the target group when accessing health services but also potentially reduce UNHCR costs, as life-saving treatments were much more expensive.

Refugees were accessing free primary healthcare services but had to pay out of their own pockets for secondary and tertiary care. The study evaluated the legal framework and the benefit package and service providers under CBHI. A major difficulty was the limited information on the contributory capacity of refugees in Addis Ababa, meaning they mainly classified them according to their residential status, that is, under Urban Assistance Programme, Out-of-Camp Policy and self-relocated. The study suggested several ways forward and served as the basis for engaging the government and partners in providing services to refugees. A technical working group that was established to address the operational aspects for including refugees and asylum-seekers in the CBHI scheme. ■

▶ 10.3 Sustainability

Building stronger, more sustainable social protection systems while also working on improving refugees' access to social protection involves the "twin-track approach" applied under PROSPECTS. This approach was key to improving the sustainability of social protection systems for all, while also accelerating sustainable solutions for refugees.

Indeed, the development of feasibility studies and costing of including refugees in national health insurance schemes have fed into national policy dialogues, legal reforms and effective changes in registration, delivery and management of social (health) protection schemes. In most countries, the scenarios costed for including refugees in national health protection systems involved subsidizing social protection contributions using funds from external partners (UNHCR, UNICEF, the European Commission and others) that were initially planned to be used for ad hoc humanitarian cash transfers or direct payment of health costs, while also opening up dialogue to progressively move towards domestic financing and workers' contributions. At the same time, these national systems have been strengthened for refugees and host communities alike.

PROSPECTS allowed the ILO, in partnership with UNHCR, to scale up and validate the approach developed. Feasibility assessments helped countries develop effective and relevant mechanisms and plans for the inclusion of refugees within national social protection systems. This was done with a view to transition refugees out of the direct delivery of humanitarian aid. The approach has effectively contributed to more durable solutions for refugees and more solid social protection systems for both host communities and refugees.

▶ 10.4 Integration with other areas of work

The work on the social protection component under PROSPECTS encompassed other work areas related to disability inclusion (in Lebanon), gender equality (Jordan, Ethiopia, Egypt, but also Kenya with respect to maternity benefits) and refugee participation (Jordan).

In addition, the work under PROSPECTS on including refugees in national systems can be seen as the catalyst for further support for better integrating social protection with economic opportunities and livelihood support for refugees. At the same time, this work has highlighted the need for more advocacy for rights-based social assistance/non-contributory health insurance for both nationals and refugees who cannot afford to contribute. These two groups are vulnerable and include sub-groups such as people living with disabilities or long-term medical conditions, children, women during maternity and older people.

While partnerships with private sector actors have traditionally been used primarily to improve access to livelihoods, ILO experience shows that they can also support refugee integration into social protection systems. By demonstrating the benefits for worker retention, productivity and compliance with labour standards, these partnerships can help establish sustainable business models that enhance long-term and systemic access to social protection. However, such an approach needs to go hand in hand with strengthening social protection systems to ensure the latter can respond. In Kenya, the ILO developed a US-funded project to further test and scale this approach.

In Jordan, a market systems analysis of SMEs was conducted to better understand the incentives and barriers for employers in extending social security coverage. This study emphasized the connection between social protection and enterprise growth, particularly in sectors like construction and food processing. Tailored interventions, such as mitigating work-injury risks and reducing absenteeism, highlighted how social protection can improve job quality while delivering tangible benefits to businesses. By combining enforcement ("push") measures with market-based ("pull") incentives, the analysis was able to demonstrate a balanced approach to fostering sustainable SME growth while extending social security coverage.

PROSPECTS in Kenya also saw a connection between financial inclusion and the extension of social protection, in that refugees' inability to open and own a bank account can be a barrier to their participation where social protection benefits are paid into bank accounts. Similarly, in Jordan, the Estidama++ programme had prolonged discussions with UNHCR, e-wallet companies[82] and the Social Security Corporation to identify a mechanism whereby refugees – who did not have the right to open a commercial bank account – could receive and make payments into social security.

10.5 Challenges

Donors who traditionally funded humanitarian operations have shown increased appetite for channelling their funding through existing social protection systems to support the enrolment of refugees and other forcibly displaced people, particularly when it comes to social health protection and social assistance. While the ILO's approach and value proposition have proven feasible and cost effective, supporting transitions and channelling humanitarian funds through social protection schemes remain challenging – operationally, financially and politically.

The main challenges encountered included: a lack of political buy-in and support, weak institutional capacities and systems, inefficient registration and payment mechanisms, complex procedures to acquire work or residency permits, lack of access to livelihoods and job opportunities for refugees, and limited domestic and external funding for social protection.

To further support successful transitions and enhance the sustainability of social protection systems, further work on social protection and livelihoods interventions (as detailed above) is needed to support sustainable access to contributory social protection schemes for refugees and to improve their income security, employability, health and well-being. At the same time, promoting greater support for rights-based social assistance (non-contributory) health insurance for both nationals and refugees who cannot contribute (such as people living with disabilities or long-term medical conditions, children, women during maternity and older people) would be key. To these ends, further work would be needed to prioritize and enhance social protection financing, through, among other things, better alignment of international support and mobilization of domestic resources.

82 E-wallets, or digital wallets, allow users to store and manage funds for online transactions.

Key takeaways

- Social protection aims to guarantee income security and access to healthcare for households and individuals throughout their lives. It plays a key role in ensuring inclusive responses to crises, promoting a just recovery and building resilience, adaptiveness and preparedness for future shocks.
- The ILO works with national stakeholders, humanitarian and development partners to give effect to the human rights to social security and health, and to advance universal social protection and equality of treatment between nationals and non-nationals.
- Social protection interventions in PROSPECTS countries drew on a decade of ILO experience working with UNHCR[83] on the inclusion of refugees in social health protection schemes.
- The project confirmed that a twin-track approach of strengthening national social protection systems on the one hand and working on refugee inclusion on the other is necessary to secure government and popular support for inclusion. Where the project did not allocate resources to do both, PROSPECTS built partnerships internally with other ILO projects focused on strengthening social protection systems.
- The project enabled support for a mainstreaming approach to refugee inclusion in work to strengthen social protection systems and policies. The bulk of demand from UNHCR and national stakeholders with regard to refugee inclusion remains in the field of social health protection, around which political will for inclusion is generally higher. PROSPECTS both scaled up (initially limited to countries with smaller and residual refugee populations that hadn't been able to benefit from resettlement to a third country or return to their countries of origin for various reasons) and expanded the scope of work on inclusion to encompass new types of social protection benefits.
- Combining the expertise of UNHCR and the ILO has proven instrumental to bringing humanitarian and development operations together. A particularly successful element of this approach and in increasing the depth of collaboration has been the shared human resources (in the form of a joint UNHCR-ILO technical specialist position). Generating evidence, guidance and training on extending social protection to migrants, refugees and their families, and their inclusion in social health protection, have contributed to policy-making and capacity-building at country level, while also further reinforcing the existing partnerships with UNHCR and UNICEF.
- Key work areas to be pursued to further support successful transitions and sustainability issues include: further focus on social protection and livelihoods interventions; greater support for rights-based social assistance (non-contributory) health insurance for both nationals and refugees who cannot contribute; and advocacy and collaboration to further prioritize and enhance social protection financing, including through better alignment of international support and mobilization of domestic resources.

83 ILO and UNHCR, 2016, "Memorandum of Understanding Between the International Labour Organization and the Office of the United Nation High Commissioner for Refugees", signed in Geneva on 1 July 2016, and the associated joint plan of action (2023–2025).



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Emerging and key areas of intervention

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In addition to the areas covered in the thematic chapters PROSPECTS worked on a number of cross-cutting topics, including youth engagement, the digital and gig economies, and gender and disability inclusion. This chapter briefly reviews these topics, highlighting some of the measures taken to address them and noting the lessons learned in the process.

11.1 Youth engagement

Young people aged 15 to 24 account for 16 per cent of the world's population – the largest generation of young people in history.[84] While this demographic faces unique challenges in integrating into labour markets and transitioning from education and training to decent work, forcibly displaced young people face additional barriers in accessing basic services, employment and training. Forty per cent of all refugees are under the age of 18, while young people aged 18 to 24 account for an additional 13 per cent of all refugees. Moreover, nearly 10 million internally displaced persons (IDPs) are aged between 15 and 24. Recognizing the particular challenges these young people face, and the considerable size of the demographic overall, PROSPECTS identified meaningful youth engagement as a cross-cutting and priority area for programming, at both a country and global level.[85]

The thematic chapters have clearly identified how PROSPECTS countries addressed the topic of youth engagement. This occurred naturally, as young people are a significant and growing part of the target group in those countries. Whether as Job Search Club facilitators, site monitors for employment-intensive investment programmes, or members of the programme's steering committee, young people were positioned by PROSPECTS not only as recipients of services but also as partners in the design and delivery of those services. A PROSPECTS Youth Workstream, comprising focal points from the Government of the Netherlands, the ILO, UNICEF and UNHCR, acted as a joint planning, coordination and knowledge-sharing mechanism for joint agency programming on meaningful youth engagement in PROSPECTS. The Workstream developed an internal, ILO-UNHCR guidance tool TEN STEPS to Engage Young People Across PROSPECTS and Improve Self-Reliance, Inclusion and Resilience to support better and more effective youth engagement.

A special Youth Workstream dialogue platform was organized with the PROSPECTS youth focal point in the Ministry of Foreign Affairs of the Government of the Kingdom of the Netherlands; the Netherlands ambassador on Youth, Education and Work; members of the Netherlands Youth Advisory Committee (YAC[86]); programme staff from all eight PROSPECTS countries and regional offices; and members of refugee youth-led networks. The platform presented the TEN STEPS guidelines and showcased good practice in terms of youth engagement.

In Ethiopia, the ILO, UNICEF and UNHCR jointly established and launched a Youth Network Committee (YNC) as a mechanism to allow young people in forced displacement contexts to be involved in programme decision-making at the country level. The 13-member YNC consisted of refugee, internally displaced and host community youth, as well as youth leaders and youth representatives from government institutions. It served as a formal advisory group that informed and guided the design, implementation and evaluation of PROSPECTS activities. The YNC members met on a quarterly basis to review the progress of PROSPECTS programme activities on youth engagement and employment, and to provide their input and feedback. The ILO, UNHCR and UNICEF put together and launched a Youth Leadership Academy to build the capacities of YNC members to carry out their role as advisers effectively and guide the implementation of programming. The Academy covered such topics as gender and disability inclusion, rights at work

84 United Nations, "Global Issues: Youth"

85 This has included a dedicated project under the Opportunity Fund – Advancing Young People's Engagement and Meaningful Participation in the PROSPECTS Partnership.

86 Kingdom of the Netherlands, Ministry of Foreign Affairs, "Introducing the Youth Advisory Committee to the Ministry of Foreign Affairs for 2024–2025", 21 August 2024.

and meaningful youth engagement, while also focusing on strengthening members' soft skills, such as communication, leadership and teamwork. The Academy is another example of how the technical expertise, skills and resources of the ILO, UNHCR and UNICEF were pooled to nurture the leadership skills of young people from host and refugee communities.

The three organizations collaborated further under PROSPECTS on delivering a complementary package of training and capacity-building for young people. A total of 63 young (aspiring) leaders in Ethiopia, Uganda, Kenya, South Sudan and Sudan benefited from a six-month training programme launched by the three organizations in July 2022. The objective was to equip refugee and host community young people with knowledge and soft skills to participate effectively and lead change in their communities and beyond. The ILO led and facilitated a session on job-search techniques and skills and another on entrepreneurship, drawing on methodologies discussed in the chapters on Job Search Clubs and business development services.

Working together with the Government of the Netherlands, UNICEF and UNHCR, the PROSPECTS team used key global forums like the ECOSOC Youth Forum, Global Refugee Forum and the Summit of the Future to advocate for more investments in education, training and decent jobs for forcibly displaced youth, and greater funding for and partnerships with refugee youth-led organizations (RYLOs). This included partnership with RYLOs such as the Global Refugee Youth Network.

At the global level, the ILO spearheaded the adaptation of a training guide to build young people's capacities to both understand and defend their rights at work, while also facilitating their active participation in global forums dedicated to young people. The Work Wise Youth: A Guide to Youth Rights at Work updated and expanded on the 2015 manual *Rights @ Work 4 Youth: Decent Jobs for Young People*. The guide shed light on young people's rights at work, including regarding wages, working time, occupational safety and health, prevention of violence and harassment in the world of work, gender equality and non-discrimination, and access to social security. The content was tailored to evolving labour market dynamics that have implications for how rights are applied and defended – driven by, among other things, political crises, technological advancements, climate change and globalization. The consultative process that informed the guide involved dialogue with more than 70 stakeholders, including youth representatives and young refugee advocates.

At the country level, the ILO convened discussions with constituents and other stakeholders involved in the development and implementation of initiatives that consider young people's rights at work in forced displacement contexts. Processes of contextualizing the global guide were led by country teams. In Iraq, extensive consultations were held with young people, ILO constituents, universities and civil society organizations. These included 177 young people representing refugees, IDPs and host communities, and 38 participants representing organizations and institutions such as the Ministry of Labour and Social Affairs, Department of Labour and Social Affairs, Ministry of Higher Education, employers' and workers' organizations, and universities.

The *Work Wise Youth* guide has garnered further attention in Kenya and Ethiopia, where it is currently being tailored and adapted in close collaboration with the Central Organization of Trade Unions in Kenya (COTU-K) and Confederation of Ethiopian Trade Unions. In Kenya, PROSPECTS' collaboration with COTU-K produced a workshop to support the development of a youth engagement plan for the organization's National Youth Committee. *Work Wise Youth* will be tailored and rolled out as part of this youth engagement plan, which is designed to strengthen unions' connections with their young members and help them actively expand their youth membership base.

Key takeaways

- The youth populations in PROSPECTS countries are sizeable and growing and must be adequately engaged in decisions and programmes that impact their lives. Meaningful youth engagement requires intentional effort, adequate resources and capacities, and dedicated support to ensure young people are empowered to participate as equal partners in shaping policies and programmes that affect their lives.
- PROSPECTS intentionally developed structures for young people to feed into programme design and implementation. At the global level, this included a specific Youth Workstream, convened by the Government of the Kingdom of the Netherlands. At the country level, this included a Youth Network Committee, comprising refugees, internally displaced and host community youth, as well as youth leaders and youth representatives from government institutions.
- Having young people inform the development of programme tools and methods adds value to the relevance of these tools and methods and promotes ownership of them among this key demographic. This is particularly key in the process of contextualization.
- Joint interventions and events, such as the Youth Network Committee and Leadership Academy, showcase how combining expertise and resources across organizations amplifies impact.
- Meaningful youth engagement is a global priority for achieving the UN Sustainable Development Goals.[87] PROSPECTS provided the ILO with a valuable opportunity to expand its role considerably in this critical area by implementing innovative strategies and tools for engaging young people, especially those in displacement contexts.
- To build on progress achieved through PROSPECTS, the ILO must continue to fortify its efforts and capacities to deliver youth-inclusive and -responsive programming by, among other things:
  - strengthening knowledge, skills and capacities of staff and partners to work effectively for and with young people;
  - supporting and resourcing refugee youth-led initiatives and solutions that are driving change in their communities;
  - putting in place institutionalized mechanisms for accountability and young people's involvement in policy and programming – for example, project committees.

11.2 Gender and disability inclusion

The thematic chapters highlighted how forcibly displaced people are at a particular disadvantage in terms of access to training, employment and social protection. Within this group, there are also communities that face unique and intersecting challenges. Understanding how disability and gender overlay the experience of forced displacement was important for the development of proactive and context-specific measures that supported more equal access to employment and livelihood opportunities. With technical support and guidance from colleagues working with PROSPECTS at a global level, country teams took steps to consult with women and people with disabilities, collect information and build the capacity of representative organizations and service providers.

Consultation with women and people with disabilities was foundational for the development of relevant and meaningful support. PROSPECTS helped produce reference materials for country-level programme teams to use to engage women and people with disabilities in dialogue on the types of interventions

87 United Nations, *Our Common Agenda Policy Brief 3. Meaningful Youth Engagement in Policymaking and Decision-making Processes*, April 2023.

that were most appropriate and needed. One tool, *10 Tips on Making Disability Inclusion a Reality in Prospects*, outlined concrete goals and simple tips to help increase the number of people with disabilities meaningfully involved in PROSPECTS. The tool incorporated a gender lens to ensure women and men with disabilities were targeted in all aspects of the work. Building on this, PROSPECTS supported the development of a training programme, How to Consult Organizations of Persons with Disabilities, which was then applied in Ethiopia. The programme team also helped launch a survey to identify and map the prevalence of people with disabilities, as well the needs experienced and barriers faced by them and their caregivers, to inform targeted interventions and policy development.

To meaningfully engage members of the refugee, IDP and host communities with disabilities in Ethiopia in programme planning, implementation and evaluation, a YNC in the country set up a subcommittee on gender and disability, which helped ensure that PROSPECTS incorporated gender equality and disability inclusion across its activities. Members of the subcommittee were trained in gender and disability inclusion and oversaw the continual application of inclusive measures. As an example, a technical and vocational education and training system assessment focused on the inclusiveness of institutions and apprenticeship programmes in the Somali and Tigray regions. It looked at the participation of forcibly displaced people through a gender- and disability-inclusive lens. Among its recommendations were the importance of capacity-strengthening, including equipment support to improve teaching-learning processes, as well as training in inclusive skills methodologies adapted to people with physical, sensory, cognitive, intellectual and psychosocial disabilities.

In Egypt, the programme supported training of vocational instructors to increase their awareness of disability inclusion and the importance of gender-inclusive practices and policies.

In Lebanon, consultations were convened with Social Protection Network, an organization representing people with disabilities, to allow meaningful participation of people with disabilities in the social protection policy dialogue and reform process. A capacity-building session was held for organizations representing people with disabilities on social protection matters and resulted in a matrix of key advocacy messages for social protection reforms in Lebanon. This was in addition to a series of regular online meetings and webinars aimed at developing a high-level proposal for a disability allowance in the country, which was ultimately launched and implemented in 2023.

In Iraq, the ILO collaborated with the Women Empowerment Unit at the Directorate of Youth and Sports in Nineveh to rehabilitate a centre in Mosul. The design and facilities of the centre were developed in consultation with the Unit to help ensure that they met the needs of young women in the area. An EIIP approach was used to ensure specific attention was paid to increasing the participation of women in areas traditionally dominated by men, such as construction work. The physical infrastructure was also constructed to be accessible for all and included accessible walkways, entrance ramps and water, sanitation and hygiene facilities. The consultation on the design and the proactive steps taken to ensure the facilities were inclusive ultimately resulted in a safe space for active participation in development and training programmes.

In Kenya, PROSPECTS joined a disability inclusion technical working group in Turkana County that was part of the Kakuma Kalobeyei Integrated Social Economic Development Plan convened by the Turkana County Government and UNHCR. The working group coordinated disability inclusion interventions in the county and built the capacity of actors to champion disability inclusion in trade, through both policy and practice. The working group prioritized conducting a survey using the Washington Group of Questions to update disability data in Turkana West and the refugee camp there.

Such work at the country level demonstrates the proactive measures taken not only to target women and people with disabilities but also to meaningfully engage with them as equal partners. Furthermore, it reflects efforts to build capacities in institutions and among service providers to better understand the unique barriers these groups can face and take action to address them.

Key takeaways[88]

- Offering reasonable adjustments to everyone involved in PROSPECTS, before and during training, workshops, consultations and selection processes, can help remove or reduce disadvantages. These can be small and low-cost adjustments that help make programming more accessible for all.
- In the absence of dedicated budget, disability- and gender-inclusive measures are unlikely to be implemented. They require a proactive and standardized approach, with both human and financial resources available to enable action to be taken.
- Training staff and implementing partners from the outset in gender equality and disability is important and should continue throughout implementation. Not doing so implies the risk of leaving behind those who are underrepresented in their communities, such as women with informal care responsibilities and people with sensory, intellectual and psychosocial disabilities.
- Whenever possible, programme data should be disaggregated by disability status, as well as disability types, alongside age and gender. Doing so provides information on how the programme is doing in terms of inclusion.
- Engage organizations representing people with disabilities and the individuals themselves in programme design and implementation, including as formal implementing partners. This is one measure to help ensure programme activities are both relevant and accessible for all.
- Include women and people with disabilities in mainstream programme activities, rather than stand-alone, separate interventions. Separate services and activities can reinforce marginalization, prejudices and stereotypes and may hinder their sustainability.

11.3 The digital and gig economies

The digital economy is rapidly expanding and creating new opportunities in e-commerce, online freelancing and platform work – both online- and location-based. In PROSPECTS countries, there is growing recognition of its potential to generate jobs and economic growth. Differences in labour laws, social protection policies and employment standards shape diverse business ecosystems and working conditions, impacting how refugees and members of the host community can take part.

In forced displacement contexts, the expanding digital economy offers both opportunities and challenges. On the one hand, it creates new pathways for refugees and host community members to achieve self-reliance and economic inclusion. On the other hand, the rise of digital jobs has also led to significant variations in how work is structured and regulated across and within countries. Fully unlocking these opportunities requires targeted investment in five critical areas:

1. Access to information and communications technology (ICT) infrastructure, broadband connectivity, work tools and spaces.
2. Market-driven digital skills development.
3. Supportive legislation and policies for labour market inclusion and rights at work, including for refugees.
4. Digital financial access.
5. Cybersecurity and digital safety.

88 These takeaways are from ILO, *Making Disability Inclusion a Reality in PROSPECTS: Concrete Goals and Simple Tips* (unpublished).



The ILO, in partnership with UNHCR and UNICEF, explored how inclusive employment policies and supportive regulatory frameworks could facilitate a productive and inclusive digital economy in which refugees could actively participate. Efforts spanned three key areas of intervention:

1. Advocating for evidence-based policy solutions.

To respond to market needs, digital employment diagnostic guidelines were developed to measure the job creation potential of the digital economy, including for refugees. The diagnostic guidelines were piloted in Uganda, which informed the country's IV National Development Plan. In parallel, the programme supported the formulation of Uganda's National Employment Policy and Strategy, as well as the incorporation of refugees in it. These frameworks support a more competitive workforce in high-growth sectors such as ICT.

In Kenya, the ILO helped break down policy silos by supporting the establishment and operationalization of a Community of Practice on Digital Jobs and Skills, co-organized by the Ministry of Innovation and Information, Communication and Technology and the Ministry of Labour and Social Protection. A mapping of policy gaps in strategic priority areas informed the National Action Plan on Innovation, Enterprise Development, Digital Skills and Jobs. Recognizing the added value of this intervention model, the Community of Practice initiative was replicated in Uganda, led by the Federation of Uganda Employers. In Ethiopia, the programme supported the Ministry of Innovation and Technology in elaborating the Five-Year Digital Inclusion Strategy, which considers the specific needs of refugees and host communities.

PROSPECTS also conducted exploratory research on approaches to access social protection for gig and platform workers, particularly refugees. Often classified as self-employed or independent contractors, these workers fall outside traditional social protection systems. While initiatives by private sector actors are emerging to bridge the gap, these remain limited in scope and more sustainable mechanisms are needed to ensure coverage and access.

2. Strengthening capacities of communities and digital-economy stakeholders to improve working conditions and mitigate digital risks.

Jobs in the digital economy present new challenges for traditional trades unions, including data privacy, algorithmic management and cross-border governance of platform work. Protecting workers' voices and agency through their freedom of association and right to collective bargaining remains fundamental to meaningful participation in the digital economy, including for refugees.

To address these new realities, PROSPECTS supported peer-learning and advocacy tools to enhance understanding of the platform economy. These tools were rooted in workers' experiences and ongoing regulatory discussions in pilot countries such as Uganda and Kenya. These initiatives built the capacity of trades unions, platform workers' collectives and refugee-led and grassroots organizations to advocate for fundamental principles and rights at work.

Besides online-based digital jobs, location-based platform work, such as ride-hailing or delivery services, are also a lifeline for some refugees in countries where access to labour markets is restricted. In Lebanon, the programme conducted a survey on the working conditions of traditional and platform-based delivery workers, half of the respondents to which were Syrian refugees.

3. Testing innovative local solutions that provide access to jobs and income, building resilience and self-reliance.

Interventions linking technical and core work-skills training to paid digital jobs have been implemented in Kenya and Uganda. Designed as stepping stones to the labour market for young people in host and refugee communities, these initiatives provide pathways into the digital and gig economies, including in AI-related freelancing. Partnerships with local and global intermediaries of platform work help refugees in accessing online jobs by addressing the barriers they face, such as lack of connectivity, digital devices and access to financial services.

Additionally, training and support were provided in Kenya and Uganda through a network of national organizations, including in refugee areas, to help micro and small enterprises, aspiring freelancers and digital entrepreneurs adopt digital tools to expand market reach and improve operations. This support included making the most of social media, e-commerce platforms, online marketplaces and digital payment services, while ensuring compliance with regulations on data protection and privacy. In Egypt, *Digitalize Your Business*[89] was adapted and launched to support this process.

Key takeaways

- Social dialogue as a strategic foundation to work on digital transformation: engaging with government, social partners and other key stakeholders was a strategic starting point for meaningful policy-level work. It provided space for constituents to foster mutual understanding and define shared priorities with non-traditional partners, such as ministries of ICT, which play a key role in shaping the digital transformation agenda at the country level. This laid the groundwork for interministerial collaboration to advance policy and regulatory work and institutionalize collaboration.
- New actors emerging in the digital and gig economies: in cases where digital jobs and skills initiatives are led by ministries or agencies outside the traditional labour sector, administrative and coordination challenges can sometimes delay the provision of timely technical assistance. The digital ecosystem spans multiple sectors, including technology, finance and commerce, requiring a broader, cross-sector approach. Enhancing collaboration among stakeholders can improve support, streamline policy implementation and ensure alignment with the evolving digital economy.

89 *Digitalize your Business* (DYB) is one of the manuals in the ILO's Start and Improve your Business (SIYB) family of training products and has been designed to help business-owners and entrepreneurs from the refugee and host communities in Egypt use digital tools and digital solutions to improve and grow their businesses.

- Engagement with digital labour platforms: local NGOs, social enterprises and development organizations are testing new ways to promote refugee inclusion and decent work on digital labour platforms. These efforts help workers access work, reduce risks and costs, improve conditions and build skills. Including refugees in the digital workforce can help businesses address labour shortages, diversify talent, expand market opportunities and appeal to clients who prioritize social responsibility.
- Social protection for gig and platform workers: extending social protection to gig and platform workers, particularly refugees, independently of their employment status, requires long-term investment. This includes adapting policy and legal frameworks, ensuring cross-border recognition of entitlements and fostering collaboration between government, the private sector, platforms and workers' and employers' organizations to overcome coverage and access barriers.
- Collaboration for integrated solutions: facilitating inclusive access to the digital economy is multidimensional and goes beyond the mandate and expertise of the ILO alone. Partnerships are essential for comprehensive interventions. In Uganda, collaboration with UNICEF enabled the acquisition of connected devices and helped encourage young people with basic digital skills to come forward for training to enhance their skills.
- Engaging the private sector: besides working with humanitarian and development actors, deeper engagement with the private sector, such as telecommunications providers and e-commerce platforms, is critical to scale up work. In the future, there is potential to tap into networks developed through other ILO workstreams. For example, the ILO-facilitated Kenya Business and Disability Network encouraged partnerships that led to skills and work placement opportunities for people with disabilities in Safaricom, one of the country's leading mobile network providers.
- Addressing legal and practical barriers to refugee employment: many refugees work in informal or unregulated sectors, owing to legal and practical barriers to formal employment. Aligning national labour policies to international standards on gig and platform work can help bridge these gaps and create more inclusive labour markets, benefiting both refugees and host communities.
- Feeding into world-of-work global governance: with discussions on decent work in the platform economy still in the early stages, the topic remains a complex and evolving area within the ILO. This influenced the scope and focus of PROSPECTS programming in this field. The project was able to strengthen constituents' understanding and dialogue on the subject, better preparing them for national and global discussions, as well as international standard-setting processes. 90
- Diverse digital economy pathways: there are different job and livelihood pathways for refugees and host communities in the digital economy, besides microwork and platform work. The lack of mappings that would identify pathways and trajectories to career progression remains a critical gap. For instance, PROSPECTS countries are increasingly looking at digital trade, including e-commerce and social commerce, to help transition businesses to the formal economy. Additionally, the rapid development of artificial intelligence highlights the need to integrate AI-related competencies into digital skills training to ensure workers remain competitive in the evolving job market.
- Expanding technical support: digital transformation is a key priority for many governments, presenting an opportunity for the ILO to expand its expertise and engagement in this area. This includes synergies across technical units, including the Cooperatives and Social Solidarity Economy Unit and the Social Finance Programme, to enhance knowledge-sharing and collaboration.

90 In March 2023, the Governing Body of the International Labour Office decided to place on the agenda of the 113th and 114th sessions of the International Labour Conference a standard-setting item on decent work in the platform economy.





12

Synthesis of the lessons learned from PROSPECTS and ways forward for the ILO

12.1 Synthesis of lessons learned 169

12.2 Engagement by PROSPECTS and the ILO in forced displacement contexts: the wider agenda 181



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This concluding chapter synthesizes the findings and lessons learned from the eight PROSPECTS countries, as detailed in the preceding thematic chapters, discusses notable cross-cutting themes and reflects on wider questions of ILO engagement in contexts of forced displacement. Section 12.1 reviews and synthesizes cross-cutting lessons learned and takeaways from the thematic chapters. It considers enabling factors and operational challenges revealed in the programme's implementation and, in light of these, proposes ways forward. Section 12.2 considers a broader agenda of issues raised by the delivery of the PROSPECTS programme for the ILO's wider engagement in forced displacement contexts and the humanitarian-development-peace nexus (HDPN) more generally.

The preceding chapters highlighted the multitude of challenges refugees and forcibly displaced people face in accessing employment in host communities. Challenging environments are characterized by high unemployment, informality, limited social protection and legal restrictions on the right to work for refugees. In many instances, the host populations are facing many of the same challenges as refugees. The arrival of refugees may further distort the perceived availability of jobs, at least in the short term. For refugees, accessing decent work is fundamental to their protection and well-being in the host country. In contexts where there are diminishing levels of humanitarian assistance, refugees' self-reliance is being pushed, mainly through access to employment and livelihoods. The ILO's engagement in forced displacement contexts and HDPN is grounded in international labour standards and focused on strengthening labour market institutions and governance to enable both refugee and host community workers to access decent work.[91]

The PROSPECTS programme has expanded the ILO's presence in forced displacement contexts and helped establish a baseline in relevant policy, legislative and regulatory frameworks across eight ILO Member States hosting large numbers of refugees. The breadth of learning that has emerged from PROSPECTS is considerable and can serve to strengthen the ILO's mandate on social justice in contexts of forced displacement.

91 See ILO, *Guiding Principles on the Access of Refugees and Other Forcibly Displaced Persons to the Labour Market*, 2016; ILO, Employment and Decent Work for Peace and Resilience Recommendation, 2017 (No. 205); ILO, *Employment and Decent Work in Refugee and Other Forced Displacement Contexts*, 2020; ILO, *Employment and Decent Work in the Humanitarian-Development-Peace Nexus,* 2021; and ILO and UN Department of Political and Peacebuilding Affairs, *Sustaining Peace Through Decent Work*, 2021.

12.1 Synthesis of lessons learned

This section elaborates on the structural and operational lessons learned in the PROSPECTS programme. Drawing on these lessons, it proposes practical ways forward to strengthen future programming and project design to enhance refugees' and host community members' access to employment.

1 Laying a foundation – awareness-raising and trust-building

Consistent with the ILO's role in promoting a holistic and participatory approach grounded in international labour standards and social dialogue, the PROSPECTS programme demonstrates the importance of the ways in which the ILO has invested in building awareness and establishing trust among partners and members of the target groups. The investment was especially evident in building trust among refugees, members of the host community and employers and service providers, whether they were commercial banks, private vocational training centres or national employment offices. Awareness-raising allowed service providers to deliver services and products that reflected the target groups' needs, while also allowing refugees and host community members to understand and see the value of the services. For example, the thematic chapter on employment services highlights the challenge of developing trust among private sector employers, workers and Public Employment Services (PES). Without trust and understanding, PES could not play a job-matching role between workers and employers. In Jordan, social protection interventions had to invest in trust-building between the national social security institution and those who were traditionally outside the social security system, namely informally employed refugee and host community workers and their employers. Likewise, on financial inclusion, the ILO's role in building trust and confidence between financial service providers (FSPs) and new refugee, IDP and host community client groups dictated the uptake of financial services.

It is also noteworthy that the upfront investment in awareness-raising and trust-building was more significant in countries and subregions where working with displaced populations was new for the ILO. The fact that PROSPECTS targets a particular subgroup, namely refugees, also necessitated greater investment in outreach and awareness-raising, as refugees were generally less aware of the local services and systems available to them. New or adapted services required time to take hold. Another key reflection in many projects, such as financial services provision, was that the period for awareness-raising and trust-building took much longer when behavioural change was required. In this instance, the client group had to build trust in commercial banks, while also shifting their mindset away from grants and cash assistance and towards savings and loan products.

Most refugees come from fragile and conflict-affected states, where social contracts and networks have been undermined or destroyed. In this context, introducing government or national services can face issues of trust and local acceptance. For instance, in Iraq, the population had experienced financial loss in earlier decades when the banking system collapsed. Building trust took longer and also required the programme to accompany the target group as it started to re-engage with the financial sector. Trust in social protection institutions was also low, particularly when social security benefits were not evident and monthly social security contributions were seen only as a reduction in salary.

Ways forward: laying foundations of trust, common understanding and awareness helped build and sustain longer-term partnerships between service providers and new beneficiaries/client groups, particularly refugees. In cases where PROSPECTS adapted services that were already present in the country, updating was quicker. For instance, Job Search Clubs (JSCs) in Egypt were already established under a previous ILO project, in partnership with the Ministry of Youth and Sport. Thus, it was easier to adapt and apply the methodology to contexts of forced displacement given the existing national partner (the ministry) and network of trained facilitators, whereas, in Jordan, the introduction of JSCs required a longer period of outreach and awareness-raising, including building a partnership with the Ministry of Youth and outreach in refugee communities. Where PROSPECTS intervened in new areas or with new services, a period of outreach, awareness-raising and trust-building was factored in to build foundational understanding of the new product/service and client group. On the side of national institutions, it was also necessary to raise awareness among civil servants of the needs and realities of refugee groups that were traditionally outside the reach of their services.

2 Building programme coherence and links between thematic areas

Achieving coherence between different project activities and areas of intervention is highlighted as a frequent challenge in the different thematic chapters. Analysis of the chapters emphasizes how important PROSPECTS was in spanning technical areas to deliver an extensive programme of support for refugees and host communities. The ILO's broad labour market expertise served to develop a holistic model for refugee inclusion, set within the framework of wider national labour market development plans and strategies. Aligning PROSPECTS intervention models to national plans was critical to the development and implementation of the PROSPECTS programme.

In the early phase of PROSPECTS (2019–2021), sector-specific interventions were piloted on a small scale to test what worked and to build partnerships. These interventions were not necessarily designed to link to one another, nor were they effectively integrated and aligned with national policy frameworks and implementation plans. In Iraq, initial pilot interventions on employment services were undertaken by an INGO but failed to connect to national PES. While the interventions responded to a lack of employment services in areas hosting displaced persons, they were not linked to broader development plans or a PROSPECTS intervention model. Similarly, employment-intensive investment programmes (EIIP) were not, at first, integrated with other dimensions of the PROSPECTS programme, notably skills development, business development services (BDS) and access to finance. However, with experience and over time, employment services and EIIPs were linked to mutually reinforce one another, for example, EIIP was deployed in two countries as part of wider value-chain development. Employment services were also developed to serve as a referral mechanism between areas of intervention. Anchoring interventions to a wider, shared labour market or market systems analysis helped develop intervention models that connected different areas of programming and served national development plans.

Other examples concern the promotion of PES and active labour market programmes (ALMPs). In the case of PES, connecting potential employees with relevant opportunities and connecting employers with qualified candidates needed to be integrated with wider employment programmes to be effective. The situation is similar regarding links between ALMPs and skills development initiatives, enterprise training and public employment programmes. These links were needed to anchor the development of employment services in what this lessons learned report has termed a "larger ecosystem of employment support". While PROSPECTS may be described as a refugee response programme, it is equally a programme that supports the development of main refugee-hosting areas in a manner that cuts across intervention areas.

Ways forward: to achieve greater coherence, future programming needs to address four interconnected factors, which underpin a comprehensive approach to supporting labour market development in contexts of forced displacement. First, targeted interventions should take account of wider systemic links and avoid the tendency to promote "stand-alone" interventions. Second, programming needs to better align with specific national and/or district government priorities from the outset and understand constraints introduced by insufficient institutional capacity and resource limitations. Third, multisectoral interventions should be coordinated to ensure that the various components are interlinked, such as that the different stakeholders are part of a wider and shared development plan. Finally, the ILO has an essential role in developing stakeholder awareness, establishing common understanding and facilitating the pooling of expertise. That said, it has to be recognized that there may often be limited room for policy, institutional, or operational manoeuvre in countries that lack political will towards refugee inclusion. In some cases, stand-alone interventions may be warranted to deliver progress in a narrow area where there is political will and appetite. These limitations highlight the need to find and test ways to mitigate the "coherence limits" of potential interventions.

3 Short- and long-term results – demonstrating proof of concept and scaling up

Many of the thematic chapters highlight the tension between delivering short-term, project-based results and contributing to longer-term development objectives as a key challenge in programme implementation. While these two are not mutually exclusive, the need to deliver results can, at times, lead to prioritizing approaches that undermine long-term institutional development. While PROSPECTS had a relatively long-term horizon, which allowed it to lay foundations for sustainability, develop local capacity and enhance infrastructure for longer-term development that is inclusive of refugees, this happened via a range of short-term sectoral project interventions that were able to deliver results. Thus, in many of the thematic interventions, there was tension between long-term horizons required for work on systems change at national level and the shorter timescales within which PROSPECTS activities needed to provide evidence of their value. PROSPECTS' experience of supporting the implementation of new and adapted services, such as financial inclusion and business development services, shows how these took time to take off, particularly when they involved interfacing with a new client group, like refugees. In some cases, an approach had to be abandoned, perhaps prematurely, in favour of a different approach that might influence change more quickly.

One way of tackling the tension between short- and longer-term results was "twin-tracking" of interventions that could deliver quick results and, in the background, work at the institutional and policy levels to influence longer-term change. For example, EIIPs invested in generating short-term jobs and tangible infrastructure development. When this occurred as part of value-chain development, the infrastructure created played a role in enhancing the productivity of producers and connecting them with markets, which, in turn, connected to district-level development plans. Another example can be drawn from work on cooperatives, where the programme took action to institutionalize cooperative development training through a national partner, the Jordan Cooperative Corporation, while, in parallel, analysing cooperative regulations and launching social dialogue on legislative changes that better aligned to principles expressed in the ILO Promotion of Cooperatives Recommendation, 2002 (No. 193).

Ways forward: building on this experience, and recognizing the evolutionary nature of projects and programmes, three complementary recommendations emerge from the analysis that can help overcome the tension between short- and longer-term results.

First, starting small and scaling up gradually, with experience, can help build partnerships and better understanding of legislative and policy constraints that may undermine long-term sustainability. Second, operating within a defined sector, geographical area and/or demographic (for example, young or women refugees) can also help test and demonstrate results in the short term. Together with starting small, this helps build refugee participation and stakeholder understanding and confidence in the product or service and manage expectations, while also limiting potential losses if the approach or service does not take hold. Third, and following on from the preceding recommendation, using a combination of short-term interventions, in parallel with long-term, policy-based interventions that take time and depend on external factors, like political will, to materialize the "twin-track" approach.

4 Adaptation of tools, fit-for-purpose programming

The challenge of short- and long-term programming segues into recognition, in many of the thematic chapters, of the need to adapt the range of existing ILO tools and approaches as they were rolled out at the country level by PROSPECTS. Along with adapting tools and approaches to meet the realities of refugees, different tools had to be developed for different sectors to overcome specific operational constraints and adapted to respond to distinct challenges and opportunities, such as those experienced in the agriculture sector. In these instances, PROSPECTS programme teams saw value in existing ILO tools and approaches that were available at the global level and adapted them to become fit for purpose at the country level. Job Search Clubs is one such example, where the methodology was used across multiple countries to address youth unemployment but adapted to specific sectors where there were employment opportunities, namely the digital and green sectors. The ILO Start and Improve Your Business (SIYB) training programme was also adapted by adding e-commerce and digital security elements where opportunities emerged. This adapted tool is entitled "Digitalize Your Business" (DYB).

Refugee-specific adaptations were also made to make training, awareness-raising and capacity development tools relevant for the target group. For example, an ILO guide to youth rights at work was adapted under PROSPECTS to reflect specific practical and legal challenges regarding rights at work for young refugees.[92] The manner in which tools and training were deployed was also adapted, in addition to the training content itself. For instance, in Uganda's apprenticeship training, refugee youth from Nakivale required accommodation near the hotel where the training was taking place. The experience of the business development services (BDS) programme in Uganda emphasized the value of localizing these services, including through community-based organizations and refugee and youth-led organizations. This enabled adaptations to be made that aligned with local needs and resources, and that supported continuity of services after the BDS intervention ended.

The experience of EIIP activities illustrates the need for project adaptation over time. In the first two years of PROSPECTS, individual areas of work, such as enterprise and skills development for refugees, were promoted but not fully integrated into comprehensive EIIPs. As these individual foundational components bedded down, the subsequent EIIP approaches were able to establish a more integrated programme, providing physical infrastructure for employment, skills development and business development services. Adaptive management was key to adjusting the combination and focus of the tools.

Country-driven adaptations must ultimately deliver tools that are contextually relevant. There is, however, a challenge to ensure the tools and methods adhere to a common objective across PROSPECTS countries. There is also a risk that standards of tools and methods may vary when several offshoots happen simultaneously.

92 ILO, *Work-Wise Youth: A Guide to Youth Rights at Work. Facilitator's Guide and Toolkit*, 2024.

Ways forward: first, it is important to determine the complexity of operational contexts in advance to understand how to adapt approaches and tools to make them fit for purpose. Second, better traction is likely in situations where tools are demand-driven – in other words, where country teams, as well as governments and other stakeholders, see the relevance and value of the tools and approaches to their context and needs, rather than having the approaches driven by the tools available. Third, even if there is no formal review process, project monitoring can highlight the potential need to adapt tools, particularly in terms of their relevance for displaced populations, as contexts evolve. This can also serve the purpose of quality control when tools are deployed at scale across countries.



Scoping out the context, working with local capacity

PROSPECTS programme activities reflect the complex and varied contexts where interventions take place, supporting diverse segments and social groups among the refugee and host populations. For example, BDS interventions had to take into account different types of refugee and host community entrepreneurs who wanted to pursue business development as a means to sustain their livelihoods. A starting point for some entrepreneurs was to build foundational knowledge of business, while others already had business plans and access to micro credit. The experiences of male and female entrepreneurs in these contexts also varied. The business environments varied too, but were predominantly environments in which refugees encountered distinct and substantial obstacles to business start-up or accessing wage employment.

PROSPECTS interventions also targeted very different geographical locations and contexts where employment opportunities or employment services varied, but generally, these were locations where markets were thin and job opportunities scarce. This required the selection of sectoral interventions and the tailoring of those interventions to reflect local labour market demand and the conditions and opportunities that were able to be accessed by refugees and members of the host community. There is also something to be said for declining to intervene when the objective of the intervention – for example, people entering employment – is highly unlikely to be achieved, owing to the context and/or constraints on/limitations of the target group. Evidence of this kind further emphasizes the importance of gauging local conditions, determining labour market capacity and identifying in-demand occupations that are accessible to refugees.

Recognizing the diversity of refugee groups was another critical element for the successful uptake of services. Further emphasizing the need to "work with the grain" of refugee and host communities, the AIMS (approach to inclusive market systems) projects were built on a detailed understanding of the overall market system in which refugees and host communities lived and made their living and, accordingly, tailor-made solutions were designed to make markets work better for both communities. Asking questions like what services are missing and why are they missing was a useful starting point. In some instances, services may be missing because they are not adapted to serve the context effectively, whereas in others, contexts might not support the application of the services, even if adaptations are made. Projects on social protection also highlighted the need to recognize the social diversity of the target groups. There was an emphasis on the heterogeneity and specificities of the target group, including their demographic characteristics, residence and employment status, duration of stay and type of employment. All these variables defined how the target groups interacted with social protection systems.

Another valuable lesson on "working with the grain" of refugee populations is that length of displacement influenced refugees' readiness, willingness and capacity to access PROSPECTS programme services. In some ways, this relates to lesson 1 ("laying a foundation – awareness-raising and trust-building" on page 169), in terms of the time needed to build a foundation and trust among service providers and the target group. The previous chapters indicate, not surprisingly, that refugees who have spent longer periods in displacement have often accumulated knowledge, social capital and, sometimes, assets enabling them to make better use of project services, such as formal employment services, or participate more successfully in projects, such as cooperatives. Others may start from a disadvantage in terms of familiarity and experience of interfacing with similar services and products. Going back to the lesson learned on adaptation, services and products that were adapted to these different stages and time periods of displacement and thus reflected both the needs and capacities of refugee populations over time, were more likely to be taken up.

Ways forward: experience across many of the thematic interventions indicates the importance of designing programme strategies to take account of complex contexts. First, it is key to understand and work with local capacity and local entities. Second, it is essential to "work with the grain" of refugee and host community participants, for example, be aware of how their cultural norms, existing knowledge of market systems, skill sets and other technical knowledge, among other things, condition their engagement with projects and access to work. Knowing this should not only help deliver more effective programme and project implementation, tailored to varying stages of displacement, but also indicate what opportunities there are to use existing local resources and institutional and governance structures, how to ensure that interventions are relevant and avoid duplication and how to buttress projects with other areas and sectors of programming to achieve better coherence. Taken together, these proposals caution against the imposition of projects from the outside; instead, projects must be nuanced and tailored to the grain of the locality and the participant population.

6 Economic constraints and limited labour market capacity on the demand side

Many of the economies and labour markets in which PROSPECTS projects were implemented are weak and may fail to produce sufficient jobs even for host workers, let alone refugees. There were few examples in the chapters of interventions directly stimulating markets, although this was an underlying objective of the AIMS and was achieved in certain cases. In general, precarious economic growth prospects further limit the capacity of labour markets to absorb refugees. This structural condition on the demand side posed a fundamental challenge for PROSPECTS and, indeed, in most refugee situations. For example, where refugees are confined to camps, or where they constitute a large supply of unskilled and semi-skilled labour, or are afforded limited employment options because of the constrained domestic labour market, the question arises as to whether there are actual jobs and opportunities accessible to them, and thus whether the project is viable, or unrealistically raising job-seekers' expectations of employment.

Pinpointing this issue, the review of employment services projects, as one example, highlighted the difficulty of providing employment services where there were few jobs or livelihood opportunities in the main refugee-hosting areas, or where there were constraints on the number of jobs being offered, or limitations on the sectors in which refugees could legally work. With this in mind, possibly the most significant observation of the thematic chapter on employment services that is relevant to the wider PROSPECTS programme was that where there was insufficient match between supply of and demand for jobs, the trust and confidence of employers and job-seekers in employment services was undermined. Supporting structural issues, like connecting labour market information to employment services and enhancing relations with employers and public employment services (PES), were prerequisites in contexts where employment services were weak. Again, these foundational aspects take time and, as emphasized in lesson 1.1 (laying a foundation – awareness-raising and trust-building), may then delay visible results, such as job placements.

The thematic chapter on BDS usefully noted several interacting aspects of critical importance to address this challenge that seem relevant across the PROSPECTS programme. These included analysing the capacity of service providers; the durability of service providers and organizations involved in BDS; the robustness of markets and systems in which BDS were being provided; and the financial viability and incentives to deliver business support in the long term.

The thematic chapter on market systems and value-chain development also highlighted the need to ensure that longer-term market capacity prospects are fully taken into account in project design. In reviewing the implementation of the push-pull model to promote market-led initiatives, it noted that, in some cases, push approaches were unable to address the fundamental challenge of creating and expanding economic opportunities in constrained refugee contexts. Equally, stimulating the pull side of market development in the absence of sufficient supply from refugee agricultural producers risked off-takers losing confidence, while an oversupply of production by refugee participants in the absence of sufficient off-takers meant that the refugee growers and producers' groups did not receive the returns they had anticipated.

Ways forward: while the structural challenges in the labour markets and economies of host countries were widely reported across the thematic chapters, experience and evidence of how they might be addressed were somewhat limited, apart from in the chapter on value-chain development and market systems. However, there are some additional ways in which they can be tackled, at least in part. An obvious starting point is project design, which, in these constrained labour markets, must be grounded in a rigorous appraisal of labour market information, using both primary surveys and secondary data. A second recommendation, as evidenced in a number of the thematic chapters, is to conduct a pilot project as this is a good way to address many of the challenges noted so far, not just in the context of structural weakness in the labour market. Doing so can help adapt and fine-tune project activities or, where necessary, halt activities where the employment capacity of the local labour market is too limited. Bear in mind, however, that pilots may involve substantial start-up costs and raise expectations that may be dashed if the project proves infeasible. Both methodologies also depend on a critical objective review of the evidence. A third strategy already discussed in lesson 1.3 (short- and long-term programming and scaling up) and, in some respects, a variant of the pilot methodology, is to start small and scale up gradually when labour market demand-side constraints diminish. This would likely only be possible in a programme with a long-term time horizon.



Risks and constraints – conflict, economic crisis, political change, environmental factors

In the complex contexts in which PROSPECTS has been working, it is clear that implementing labour market development services and processes is not a linear process, owing to conflict, environmental factors and unforeseen risks. Some of these factors compromised the target groups' access to the labour market services facilitated through PROSPECTS. Moreover, because the economic and political profiles of PROSPECTS countries tend to be relatively volatile, shocks to project implementation were to be expected and, thus, unanticipated changes often had to be made, sometimes rapidly. In any case, working in crisis and post-crisis contexts also entails labour market distortions that have unanticipated impacts on the rollout of project activities. The chapters on financial inclusion and market systems take note of the legacies created by aid dependency and the market-distorting effects of prolonged assistance. These prevailing conditions highlight the need for project agility.

For example, it was noted that, in extremely challenging labour markets – remote rural locations with extremely limited employment opportunities and with widely distributed refugee populations who constituted a large supply of unskilled and semi-skilled labour – piloting employment services was not a good use of resources for the achievement of short- and medium-term results. Thus, in developing projects involving Job Search Clubs (JSC), it was assessed whether, in locations with very weak labour markets and limited employment options, such as where refugees were confined to camps or settled in rural areas, these would actually be able to produce sufficient job opportunities accessible to refugees. This also links back to managing the expectations of the target group.

In another context, analysis showed that a key barrier to the development of financial services for refugees was the perception of "flight risk" on the part of financial institutions, that is, the risk that refugees would not repay loans and interest. Analysis also revealed that national circumstances could change suddenly, as occurred, for instance, in Lebanon, where the economic shock of the financial crisis required agility to adapt the project's financial products. In this case, the impact on new and developing micro, small and medium enterprises (MSMEs) was significant, so temporary measures, such as grants, cash assistance and temporarily subsidized interest rates, were introduced to support business continuity and job retention.

Several countries in which PROSPECTS has been engaged suffer from political instability, internal conflict and internal population displacement, for example, Ethiopia, Iraq, Lebanon and Sudan. Such turbulence has both further exacerbated the marginalization of refugees from host country labour markets and, simultaneously, overwhelmed project development and implementation. In some instances, government willingness or acceptance of refugees took a sharp turn for the worse, reversing discussions on measures of inclusion. This sometimes meant that project plans had to be modified and changing attitudes had to be accommodated in a manner that still delivered against the wider project objective: improving the well-being of refugees and members of the host community.

Geographical location was identified in a number of the thematic chapters as an important constraint on the effectiveness of PROSPECTS activities. This constraint is manifested in four ways. First, location influences refugees' access to labour market and employment services, as well as goods and commodities that may be needed for their enterprises. Second, and vice versa, location conditions the capacity of service providers to access refugees, for example, self-settled refugees in rural areas or in camps are more difficult to access than those in urban settings. Third, location is an important determinant of the scope and size of the labour market and employment opportunities and, thus, the potential viability of employment opportunities for refugees. Finally, there may be security or safety restrictions, such as in areas affected by conflict or instability, that limit access in some locations.

Ways forward: the thematic chapters highlight these challenges and, in some cases, offer insight into how other programmes can adapt measures to deal with instability. In the case of Sudan, strengthening Local Economic Development Committees helped bring programme decision-making to a local level and enabled practical day-to-day activities related to the monitoring of activities to be handed over to the committees – a role that became all the more important when environmental and safety factors hindered access to project sites for ILO staff. In Lebanon, other projects outside of PROSPECTS were used to change focus and adjust programming in light of the Beirut blast in August 2020. In this case, funds were able to be repurposed to support an expansion of a relevant EIIP intervention. This illustrates the value of a "One ILO" approach, but could equally be considered in situations where the ILO can tap into the projects of other INGO and UN agencies to pivot and repurpose in times of unforeseen crisis.

At a programmatic level, there is the need to develop methodologies for rigorous project risk, readiness and preparedness analysis. Partners such as UNHCR and UNICEF already have institutional mechanisms to continuously track and report on risks – a consequence of their humanitarian-driven mandate. Learning from and adapting some of these more agile tracking and reporting mechanisms could be useful to the ILO when it engages in complex contexts subject to conflict. Such methodologies could also be used, for example, to evaluate the effects of location on market development or to stress-test projects against likely shocks during their lifetime.



Promoting social cohesion and social dialogue

A persistent theme in the individual chapters is how project interventions and participatory processes can foster a greater sense of social cohesion among refugees and between refugees and their hosts. Aligned with this objective, the role of social dialogue is frequently reprised alongside the value of consensus-building in thematic interventions linked to upstream work. However, one challenge around social dialogue processes in PROSPECTS was the limited level of refugee representation. On the other hand, at the activity level, other dialogue platforms were used, for example, to build community consensus on EIIP work or exploring other less formal workplace mechanisms pending legal and regulatory reform and with the support of workers' organizations.

Equally, proactive and appropriately designed labour market interventions can be highly instrumental in promoting social cohesion between groups. Rebuilding or establishing structures that promote and strengthen social cohesion are both important ends in themselves, but they are also key to building peace and trust. These strategies and objectives are manifestly consistent with the underlying rationale and precepts of the HDPN and have underpinned and motivated the PROSPECTS programme.

Exemplifying the drive for social cohesion, the programme for developing cooperatives and other social solidarity economy (SSE) entities noted that the cooperative sector was well positioned to address the needs of both refugees and host populations, because of the inherent ability of cooperatives to combine practical assistance and support through collective action, especially at the local level. The value addition of collective production gained by developing and strengthening cooperatives has been a particularly relevant process for supporting solidarity among female refugee project participants in this sector. With regard to many other approaches, for example, implementing market-based strategies, there is evidence of how projects helped promote the economic self-sufficiency of refugees and host communities and thus improved social cohesion.

A specific example of the value of inclusive dialogue is PROSPECTS' support for the expansion of employment services into refugee-hosting areas in Kenya, Ethiopia and Uganda, where such services had been weak or absent. Introducing employment services entailed building relations between jobseekers and employers. Using the existing networks of employers through local associations, chambers of commerce and cooperative groups proved useful in building trust and confidence between different entities and partners, as well as building the refugees' trust and therefore their willingness to participate in institutions and services for them. Building social dialogue and trust with partners has also been an essential process in PROSPECTS projects where it was necessary to engage with governments, social partners and refugees to embrace services and the mechanisms to transition into employment.

Ways forward: promoting social cohesion and social dialogue in the context of refugees' access to labour markets has been an important objective of the PROSPECTS programme and, indeed, the bedrock of the ILO's role more generally. While the different but complementary roles of social cohesion and social dialogue have been strongly advocated in the thematic chapters, evidence of their value and importance tends to be asserted rather than documented. There is limited evidence of: a) how these processes have actually been developed and implemented; or b) the outcomes with respect to refugee inclusion. Of course, promoting social cohesion and social dialogue will vary from sector to sector and is very context specific. Nevertheless, further analysis could add value regarding how social partners engage around the topic of refugee inclusion and regarding the effectiveness of different processes and tools for their involvement. In Iraq, EIIP interventions saw trade unions take a strong leadership role in building the capacities of workers' management committees, with members from both refugee and host communities. In Uganda, employers were heavily invested through the hotel owners' association in the rollout of apprenticeship schemes. Focusing on the area of social dialogue could add value to help other programmes embed social dialogue processes in contexts of forced displacement and better illustrate the link to social cohesion.

On the experience of promoting social cohesion there are similar gaps in evidence. For example, are certain labour market interventions, services and projects more effective at delivering social cohesion and, if so, why? Social cohesion within the refugee population and between refugees and hosts is usually presented as good practice, but the PROSPECTS experience has not yet captured or elaborated on different forms and instances of social cohesion. For example, are particular social or demographic groups involved and, if so, why? A notable area for further development is ways in which the outcomes of social cohesion, in the context of labour market interventions, can be gauged or measured. What is the evidence for social cohesion? How is it manifested? How has the specific labour market intervention helped promote social cohesion? These questions extend beyond PROSPECTS and could be considered within the ILO as a whole.



Promoting transitions to formalization

One of the objectives of the PROSPECTS programme has been to promote refugee employment in the formal sector, one which aligns to a core principle of the ILO in its "Transitioning to Formality Agenda" and which is an important precept underpinning the HDPN. Nevertheless, it is a considerable challenge, since all the programme countries are characterized by large informal labour markets. Specific barriers to participation by refugees in the formal sector as employees or entrepreneurs include: legal restrictions on the types of occupations and sectors non-nationals, such as refugees, could access; regulatory restrictions on refugees owning and registering their own enterprises; limitations on refugees forming or joining cooperatives; complicated work permit procedures; and limits on freedom of movement.

Another set of constraints on formalization was posed by national formalization services and processes[93] in refugee-hosting areas. For example, the expansion of business or employment services to refugees was often limited, owing to policies and laws that decreed such services were exclusively for nationals. In other contexts, there was limited capacity to offer services in refugee-hosting areas, owing to, for example, a dearth of trained facilitators and counsellors and insufficiently robust infrastructure to reach remote areas. A significant factor that encouraged refugees to pursue formalization was involving the support of government agencies, business and industry federations and chambers of commerce to help embed and institutionalize formal business and employment principles and practices. Similarly, effective national strategies for formality provided a conducive environment to encourage formalization of refugee businesses and cooperatives.

The costs and benefits of formalization were among those factors requiring close attention, with programme teams analysing how refugees might consider the "costs" of formalization, such as taxes and registration fees, outweighing the perceived benefits of higher wages and more secure, decent working conditions. Where business registration for refugees was feasible, incentives such as loans helped tip the balance in favour of the perceived benefits of formalization. Similarly, the Estidama++ programme in Jordan carefully analysed the perceived costs and benefits of social security registration across a range of informal workers and enterprises, taking note of such things as contributory capacity and the value assigned to short-term social security benefits. Partnering with government agencies, business and industry federations, chambers of commerce, commercial banks and social protection institutions helped restructure incentives in favour of formalization for both workers and employers and roll out points of service in refugee-hosting areas.

Ways forward: the experience of the PROSPECTS programme highlights some pathways to promoting formalization. At a technical level, identifying and then encouraging governments to gradually remove legislative, policy and procedural barriers to refugees' participation in the formal sector are practical steps forward. This should be done from the perspective of both workers and their employers. Another technical advance to promote and sustain formal sector business development is to ensure that the projects are supported with "wraparound" services, such as financial education and technical and vocational education and training, which can help workers engage in the formal sector more productively. More instrumentally, financial incentives, such as business start-up loans or facilitating access to commercial banks, can address disincentives for both workers and employers to participation in the formal sector. However, such financial incentives need to be accompanied by financial education if the target group is to make productive use of them. Programme experience also indicates strategic ways forward to promote formalization, for example, framing refugee employment programmes in wider national development plans and strategies for formalization, which can help compel national actors to streamline and make formalization processes more accessible.

93 These include services such as business registration and work permits, which may need to be submitted to a government office.



Designing for project sustainability

Sustainability has been an essential, but challenging, objective to achieve in PROSPECTS project interventions, as highlighted in a number of thematic areas, such as social protection, cooperative development, business development services and EIIP. To be sustainable, the employment and labour market resources and services provided need to be embedded in systems after the project ends, in the form of enhanced capacities for refugees and members of the host community to successfully enter employment or set up businesses, supported by labour market or business development services that facilitate access to and the provision of decent work. Experience from the PROSPECTS projects draws attention to some of the main challenges and opportunities in making interventions effective and sustainable.

When it comes to EIIP and employment services, project sustainability was partly conditioned by the durability of project infrastructure and the effectiveness of its long-term maintenance. This, in turn, was contingent, from the outset, on investing in, among other things, knowledge development, building human and (where relevant) physical capital, as well as investment in and support for community-level capacity and resources to maintain the infrastructure independently in the longer term. For example, in the case of employment services, physical sustainability was delivered through the construction of service centres in refugee-hosting areas and supported by the development and upgrading of web-based employment platforms and profiling tools. Human capital development was delivered through investment in training for civil servants at different levels to sustain the services locally. Addressing the challenge of sustainability motivated the design of EIIP projects, which are often criticized for providing short-term work, rather than long-term employment. Enhancing the potential sustainability involved greater efforts to situate refugee participation in EIIP as a wider employment pathway, connected, for example, to relevant skills training, job referrals through employment services or business development services.

Alongside the strengthening of institutional capacity, a second important lesson learned with regard to promoting sustainability has been to ensure that the projects are mainstreamed and anchored in the wider institutional, governance and political infrastructures of the specific country's labour market. For example, in the case of cooperative formation, an approach adopted in Kenya was to ensure the projects engaged with wider national development plans and strategies for the sector that could catalyze action upstream and downstream for the refugees. In Jordan, the approach was embedded in the national strategy for cooperative development, with an associated review of the cooperative law. In this context, the aim was to ensure sustainability by embedding the capacity of cooperatives and apex cooperative organizations to support cooperative development at both national and local levels. A related issue, which emphasizes the detailed attention that may be required to ensure sustainability, was the need to establish legal rights of refugees to form and join cooperatives, together with the financing of cooperatives. As in the case of financial inclusion projects, PROSPECTS has advocated for more inclusive financial laws, policies and strategies. Strengthening existing national frameworks to support refugees was also a strategy adopted to build the capacity and sustainability of PES. However, this was one of the more challenging aspects in terms of sustainability, as legal inclusion is underpinned by national political will and social circumstances beyond the control of PROSPECTS.

A third dimension revealed by sectoral analysis is that different strategies have been used to embed and sustain the results of PROSPECTS projects for refugees in the wider labour market institutional structures for policy frameworks. In the case of cooperative development, programme teams implemented an advocacy plan to influence government policy-makers to reinforce cooperative principles for refugees but nested within existing cooperative strategies. Institutionalizing capacity in these ways allowed for building sustainable capacities of cooperatives at a national level. For financial inclusion projects, continuous advocacy with relevant authorities for policy change was also considered essential. Equally important as engaging at the decision-making level was working on the technical and operational levels at the same time. Again, advocacy for PES projects was a key strategy aimed at strengthening relations with, and support from, local workers and employers through employers' federations and/or business associations. But here, the approach was also action-oriented, in that it involved piloting activities tailored to job-seekers from the refugee and host communities.

EIIP experience in embedding refugee-oriented projects in the wider infrastructure landscape endorses the value of engaging relevant government departments in EIIP planning and implementation. This was achieved through consultative workshops involving policy-makers and directors to raise the awareness of the relevant national institutions and line ministries to mainstream refugee-focused EIIP approaches. This model also allowed key stakeholders to reflect on how to improve the implementation capacities of national, regional and local infrastructure institutions. EIIP experience also highlighted the value of engaging local stakeholders, for example, in village committees. Embedding the programmes in the wider institutional infrastructure, involving governments, international actors, social partners and local communities, facilitates the eventual handover to government line departments to sustain services and technical support for refugees.

Alongside these specific experiences, there are two further reflections on sustainability. A key lesson learned in the design of BDS projects was that sustainability plans need to be elaborated and built in from the outset, in this case with training providers, to ensure that quality training can be continued after the intervention and that public and private providers can be relied upon. Furthermore, PROSPECTS countries (and other countries hosting refugees) are more likely to experience economic shocks and volatile political conditions that can, for example, quickly increase the price of inputs or disrupt supply chains, and thus potentially destabilize employment-generating projects. The greatest challenge to long-term sustainability is lack of financial resources, independent of donor assistance. This challenge remains open, not only in PROSPECTS but within the wider humanitarian and development space. While, in some countries, governments shared the costs of interventions, or allocated finance for the continuation of services, this was not common and only happened in countries that were relatively better off, economically.

Ways forward: this experience suggests five strategies that can support sustainable projects for refugees. First, plans for sustainability need to be identified and built in from the start in the project design, with relevant stakeholders. Such plans should also factor in capacity to withstand economic shocks, which harkens back to the lesson learned on risk planning. Second, to achieve sustainability, an essential project objective should be to strengthen the physical, human and institutional capital of national stakeholders responsible for the continuation of services. Such investment underpins the durability of the project infrastructure and, thereby, its longer-term maintenance and sustainability. Third, sustainable labour market projects for refugees a) rely on the collaboration and support of many public and private stakeholders from national to local levels, and b) appear to survive better when they are embedded and mainstreamed in other, extant labour market services, strategies and institutions. Mobilizing the long-term commitment and resources of these stakeholders requires not only an understanding of their capacities but also deploying relevant tools and incentives to obtain their support and active engagement. Fourth, for both refugees and employers, entry to the labour market comes with (monetary and non-monetary) cost implications. For programmes to be sustainable they need to carry enough value and return to make job-seekers, workers and employers willing to pay for them. Finally, in order for programme interventions to be sustained over time, they need to carry value for both the host community and the displaced population. If government resources are part of the continuation of services, they need to add value nationally.

12.2 Engagement by PROSPECTS and the ILO in forced displacement contexts: the wider agenda

This section expands the analytical frame to reflect more widely on the delivery and outcomes of the PROSPECTS programme and the wider implications for the role of the ILO. It considers how the programme has addressed the key structural challenges concerning ILO engagement in forced displacement contexts and the operationalization of the humanitarian-development-peace nexus. It also considers how refugees and host community workers have been engaged in the programme and its projects, and their roles as both objects and subjects of the programme.

Transforming the response of governments and other stakeholders to the labour market impacts of forced displacement – PROSPECTS and the HDPN

Overview – PROSPECTS and the HDPN

The HDPN is both a concept and a wide-ranging policy apparatus that now drives the international response to many refugee crises, with the purpose of promoting longer-term development to support the livelihoods of refugees and impacted host communities, combined with assistance to meet the continuing humanitarian needs of refugees. However, despite extensive international experience with this new way of working – including in PROSPECTS countries – there is no explicit model or template for the HDPN, not least because of enormous variation in country contexts. Instead, there is a series of evolving precepts, among the most important of which is promoting economic development to generate sustainable livelihoods for refugees and host communities. Enhancing refugees' access to host country labour markets and employment generation are the core strategies to achieve this objective.

Clearly, labour market development for refugees and members of the host community is the ILO's entry point to the HDPN, and, since 2015, the ILO has been actively engaged in developing its role in and supporting the international embrace of the HDPN approach. The ILO's precepts and norms are strongly aligned with the HDPN, which provides the impetus for the organization to promote employment and local economic development, and to strengthen national systems in a manner that upholds international standards for decent working conditions for both refugees and host communities.[94] Within this context, the HDPN provides both the motivation and the underpinning for the PROSPECTS programme. Indeed, all the thematic interventions reviewed in this report align to and enact multiple precepts of the HDPN.

However, for the HDPN to be effective in promoting development, it must be more than a sophisticated concept. It is predicated on institutional transformation, that is, transforming the way in which, in particular, refugee-hosting governments, institutions and stakeholders respond to refugee situations and engage with labour market development. It must also be transformative for donors and international organizations engaged in this space.

94 See ILO, *Guiding Principles on the Access of Refugees and Other Forcibly Displaced Persons to the Labour Market*, 2016; ILO, Employment and Decent Work for Peace and Resilience Recommendation, 2017 (No. 205); ILO, *Employment and Decent Work in Refugee and Other Forced Displacement Contexts*, 2020; and ILO, *Employment and Decent Work in the Humanitarian-Development-Peace Nexus*, 2021.

PROSPECTS, the HDPN and institutional transformation

This is the context within which PROSPECTS has pursued a strategy of organizational transformation of the way in which host governments and other relevant stakeholders respond to labour market impacts and opportunities in contexts of forced displacement. What, then, does the PROSPECTS programme tell us about the HDPN and its capacity to transform institutional behaviour? What kinds of organizational transformation has the PROSPECTS programme achieved, what interventions added value and what are some of the wider lessons learned and ways forward for the HDPN regarding institutional transformation?

From an HDPN perspective, therefore, the impact of the PROSPECTS programme needs to be seen in the way governments and other stakeholders have meaningfully included refugees (and host community members) in their labour markets and in employment. This, in turn, means exploring the effectiveness of systemic changes in institutional capacity (for example, changes in policies, legislative and regulatory frameworks, and professional capacity) to deliver this objective, mainly of host governments but also of other stakeholders involved in the functioning of the labour market. Systems change also includes donors and international actors and the support they provide to enables change.

A helpful way of exploring the transformative capacity of the PROSPECTS programme, and the value added to the development of the HDPN, is to place it within the UN's widely used framework of organizational transformation and capacity development.[95] In principle, the ILO's approach in the PROSPECTS programme closely reflects this framework, in which the development of sustainable capacity is based on a comprehensive approach to enhancing three domains: (1) an enabling environment; (2) organizational capacity; and (3) individual capacity.

Creating an enabling environment (political and economic context, policy and legislative environment, culture): predicated on the HDPN's transformative approach to hosting refugees, first of all requires an enabling environment to be established by supporting policy makers and labour market institutions to enable access to decent work for both refugees and host community members. This is critically important as, without access, self-reliance cannot be sustained over time.

PROSPECTS' experience is instructive here. The programme worked mainly with governments, but also many relevant stakeholders, such as social partners and market actors, in promoting refugee employment and access to labour markets. It invested time and expertise in raising the awareness of these entities and enhancing their political will and commitment to mainstream refugees, as well as their ownership of a critical element of their countries' socio-economic policy – their labour markets. As discussed in lesson 1 "Laying a foundation – awareness-raising and trust-building" on page 169, it has been critical to the successful running of the programme.

For example, to promote the formation of cooperatives, an approach of PROSPECTS was to influence policy-makers to reinforce important cooperative principles, such as inclusion of refugees and host community participants, in existing cooperative strategies and to advocate for cooperative development within the framework of wider national development plans and strategies. Whether or not PROSPECTS was able to strengthen PES depended on national stake holders (ministries, trade unions, employers organizations etc.) recognizing the value in expanding these services into refugee-hosting areas. Building an enabling environment has been anchored in social inclusion, mediated by social dialogue and advocacy. It has strengthened the engagement of social partners, notably employers. The programme has mainstreamed refugee inclusion in the ILO's wider advocacy and policy work on social protection. It has made the most of a variety of partnerships – for example, with chambers of commerce and federations – in building capacity for BDS and has fostered partnerships with humanitarian actors in developing its approach to inclusive market systems (AIMS). Other international actors and donors also provided support.

95 See, for example, UNDG, *Capacity Development: UNDAF Companion Guidance*, 2006; UNDP, *Capacity Development: Practice Note*, October 2008; UNDP, *Capacity Assessment Methodology: User's Guide*, November 2008; and UNDP, *Capacity Development and Transition*, 2019.

PROSPECTS' experience demonstrates how an enabling environment that is closely aligned to ILO precepts and norms (rooted in local labour market contexts, responsive to the needs of workers, employers and governments), but also to national strategies and frameworks, can be successfully embedded in project development: the two go hand in hand. Although confined to labour market access and refugee employment, this experience also supports the process of institutional transformation embodied in the HDPN – raising the awareness of and bringing on board other development partners, such as employers and development and humanitarian actors, and raising their awareness of how economic development and employment generation can be promoted. This enabling environment served many of the precepts of the HDPN, such as transitioning from humanitarianism to economic development; supporting both refugees and hosts; following a partnership model of policy and programme development; and engaging the private sector in promoting social cohesion.

Of course, entry points for shaping an enabling environment are limited where there is no political will. In these situations, other thematic interventions and approaches might be more acceptable, or could PROSPECTS activities reflect more robust arrangements for host community inclusion – for instance, adopting a sector-specific approach to reform, as was done in the agriculture sector in Jordan and Lebanon.[96] Policy dialogue and legislative reforms benefited all agriculture workers, including refugees. It may also be that labour market development cannot be the initial entry point for the HDPN.

Building organizational capacity (organizational leadership, structures, systems and processes, resources): ensuring the HDPN's effectiveness in delivering sustainable solutions in refugee situations depends on building institutional capacity.

PROSPECTS' experience is valuable in demonstrating some of the ways in which institutional capacity-building can be delivered. An important precondition for capacity building was that PROSPECTS was able to draw on the ILO's multisectoral expertise in establishing and strengthening the institutional capacity and governance structures of its implementing partners, as well as the organization's decade of experience working within the HDPN. Grounded in international labour standards, PROSPECTS applied many of the key facets of institutional capacity-building – for example, through policy and development advice for the AIMS and EIIP. It developed practical tools, such as recognition of prior learning frameworks and implementation guides, and a training tool on occupational safety and health for cooperatives. It promoted improvements in institutional infrastructure, which served to strengthen refugees' access to BDS, and in infrastructure in key value chains, using an EIIP approach. PROSPECTS provided technical assistance and guidance to governments in drafting and amending national policies and strengthening awareness and application of cooperative principles and objectives, legal and regulatory frameworks, and governance. It has made the most of new partnerships to develop and pilot approaches to extend and deliver PES in specific sectors and to specific population groups.

The programme has demonstrated how different methods for building institutional capacity can be used and how these can strengthen and consolidate the development of local labour markets – a key HDPN objective. Aligning interventions to promote an enabling environment with institutional capacity-building is also important. This is evident, for example, in thematic interventions that were: supportive of both refugees and host communities; inclusive; anchored in social dialogue, partnership and participatory approaches; and sustainable and market-driven. At the same time, as with the process of creating an enabling environment, PROSPECTS built institutional capacity in collaboration with various public and private organizations, using their strengths. Again, among the many precepts of the HDPN to which the programme's institutional capacity-building was aligned, the partnership model is an important one.

Developing individual capacity: building and developing individual capacity – hard and soft skills, knowledge and expertise – constitute the third complementary arena for institutional change. It is an essential counterpart to developing an enabling environment, and equally important in stimulating organizational transformation as both an enabling environment and strong institutional capacity. PROSPECTS' experience of investing substantially in this arena is thus particularly significant.

96 In 2021, Jordan adopted Agriculture Workers Regulation No. 19, regularizing the status of agriculture workers under the labour law. PROSPECTS directly supported the process through legal review and technical guidance at ministerial and parliamentary levels. In Lebanon, PROSPECTS supported policy dialogue to extend social protection to agriculture workers. In both instances, Syrian refugees make up a large portion of the agriculture workforce.

PROSPECTS has adopted a twin-track approach to building individual capacity. On the one hand, it has invested in the development of individual skills, knowledge and performance to enhance the capacity of ILO staff, government contacts and implementing partners. On the other hand, and just as crucial, it has invested in individual capacity development for refugee and host community workers to enhance their employability and access to labour markets. Examples include support for providers and trainers in BDS to expand local and national training and services in refugee-hosting areas. Capacity-building with financial service providers (FSPs) enabled inclusive policies and practices to be put into effect – on the one hand, by incorporating FSP staff as trainers in financial education and, on the other, by providing training to support financial literacy among refugee and host community clients, which enabled them to take advantage of the products. In expanding BDS, it was recognized that national institutions would require training for their staff and capacity-building to support the continued provision of BDS.

PROSPECTS' experience highlights some important conclusions relevant to the HDPN. First, whereas HDPN stakeholders have invested heavily in institutional capacity-building and in developing an enabling environment, investment in individual capacity – which is just as vital in programme development and, especially, implementation – has been less strongly promoted. Equally, the successful uptake of programmes and projects for refugees and hosts often requires training and upskilling of the participants. PROSPECTS' experience reinforces the significance of this.

Reflections

Looking at PROSPECTS through the lens of an institutional capacity development model has helped unpack and highlight key methods of PROSPECTS in the context of the HDPN. Below are three reflections.

First, the analysis reveals substantial knowledge production as a result of institutional capacity-building within and across the sectors in which there was labour market intervention in favour of refugees: there has been innovation and experimentation, and many new tools and methods have been developed and adapted to make them fit for purpose. There is a stronger understanding of what does and does not work, and why, in strengthening national labour market systems and promoting local economic development and employment for both refugees and the host community. Harnessing this valuable operational experience for the benefit of the HDPN will help strengthen PROSPECTS capacity building and the scope of support for national stakeholders.

Second, the analysis shows that by making the most of multiple areas of the ILO's expertise across a range of thematic interventions, but framed within the precepts of the HDPN, PROSPECTS has played a catalytic role in promoting a transformative approach to developing the capacity of governments and other stakeholders to respond to labour market conditions and opportunities in the context of refugee displacement. From the outset, the principle of a holistic programme was a guiding norm for the PROSPECTS' approach, and while there is no overall model or template for the HPDN, the analysis indicates that the PROSPECTS programme has served multiple precepts of the HDPN in a cross-cutting fashion. Perhaps uniquely, it has attempted to develop and implement a systemic and integrated model of institutional transformation that helps countries progress on a path that is inclusive of refugee/displaced populations.

Third, is the extent to which PROSPECTS has delivered a holistic programme. PROSPECTS' approach to institutional transformation has mostly been implemented through a large number of thematic projects that have also delivered strategic objectives. But, as the thematic reviews confirm, uptake of the new processes and tools has been uneven. While PROSPECTS was guided by mainstreaming a holistic approach to policy and programme development and implementation, and while the thematic portfolios used and brought together multiple areas of ILO expertise to promote local development and economic empowerment of the target group, the programme has not, perhaps, fully implemented an overarching holistic model. PROSPECTS has driven a process of institutional transformation that is embedded in the HDPN. The extent to which the programme's multiple smaller projects and outputs can be consolidated into a coherent and sustainable model, as discussed in lesson 10 "Designing for project sustainability", remains a critical challenge.

While these reflections have been prompted by a review of the PROSPECTS programme, a key point to emphasize is that they apply, almost certainly, to all the component elements of the HDPN (for example, social well-being, public services, shelter, food, health) and all the multilateral organizations active in the HDPN space. So, the lessons learned and reflections on sustainability, linkage, programme interconnections, holistic approaches and so on, have wider implications beyond ILO and PROSPECTS.

Refugees and host community workers – participants or partners?

Not surprisingly, a strongly project-driven approach underpins the PROSPECTS programme; this is buttressed by extensive application of ILO technical expertise and a wide range of thematic tools and interventions to strengthen national labour market systems and to promote employment for refugees and host community members. Understandably, PROSPECTS has prioritized institutional transformation and building technical capacity to support the way in which governments and other stakeholders respond to labour market development in situations of forced displacement. Building governments' trust and commitment, increasing institutional capacity, laying the foundations to strengthen national labour market systems while safeguarding international labour standards, norms and fundamental principles for decent work have been the dynamics driving the programme, and reflect the ILO's core precepts. In short, this is a strongly driven, top-down and technocratic programme and project model and, from this perspective, it mirrors the precepts of the HDPN as a whole. By these criteria, as this report makes clear, the value added and knowledge products delivered by the PROSPECTS programme are highly significant.

Turning from this portrayal of a top-down model to the target group, refugees and host community members have been both subjects and objects of the programme. Certainly, its projects engaged diverse demographic and social groups, and the project teams designed interventions that were clearly observant of cultural, social and gender norms; that harnessed refugees' capacities; and that were responsive to their needs and aspirations in relation to employment and economic self-sufficiency. There is also some evidence that, in working with refugee-led organizations, some models of partnership have begun to emerge. Overall, in outlining, the activities for developing the individual capacities of refugees, and in the lesson 5 "Scoping out the context, working with local capacity", there is much evidence of these processes being tailored to local contexts, allied with the recognition that projects must be nuanced to the participant population.

However, while the programme's projects have been highly responsive to these local contexts and groups, a prevailing impression is that the programme was designed and worked *for*, rather than *with*, refugees and their host communities, making them a target group rather than participants with a sense of ownership. For the refugee and host community participants, it could be argued that inclusion in the projects but marginalization in terms of ownership have been countervailing experiences, and the metrics of economic empowerment are limited. There is little evidence that participants were involved in decision-making and project management, or analysis of the structural constraints and opportunities for employment generation that the projects offered.

Thus, the question remains: what would the approaches and outcomes of a PROSPECTS programme – and, indeed, other programmes in other socio-economic areas of the HDPN – have looked like if it had been a bottom-up, strongly participant-oriented or participant-owned programme? What would a programme for self-reliance and labour market access look like from the perspective of a refugee as a development actor, or from the perspective of a host community member who has never experienced formal sector employment? Directly engaging with distinct groups from the bottom up to find ways to harness their work-based skills, qualifications, training and experience, and to implement labour market interventions that are designed from the perspective of participant "ownership" and aspirations, is very challenging. This is particularly true where a group, such as refugees, has a discrete temporal and legal status in the country and its labour market. While partnership, underpinned where relevant with social dialogue, has been a key precept of the PROSPECTS programme, this model has principally engaged institutional collaborators, not refugees or host community members, in social dialogue as programme and project partners.

For PROSPECTS and the ILO, and, indeed, for all the stakeholders working in other sectors of the HDPN, these conclusions demand profound institutional reflection and consideration of different approaches – methods of dialogue, timescales, governance, policy development, leadership structures, project management and finance – to better enable and engage stakeholders, including refugees and host community members themselves. Such a model requires much more experimentation and piloting – PROSPECTS has experience of piloting a number of thematic interventions – but also space to start to scale up gradually. A much stronger, refugee-led model of employment also requires significantly increased risk-taking on the part of stakeholders and thus entails the ILO, donors and host countries working together to offset risk. These conclusions have profound implications for the continued evolution of the HDPN.

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