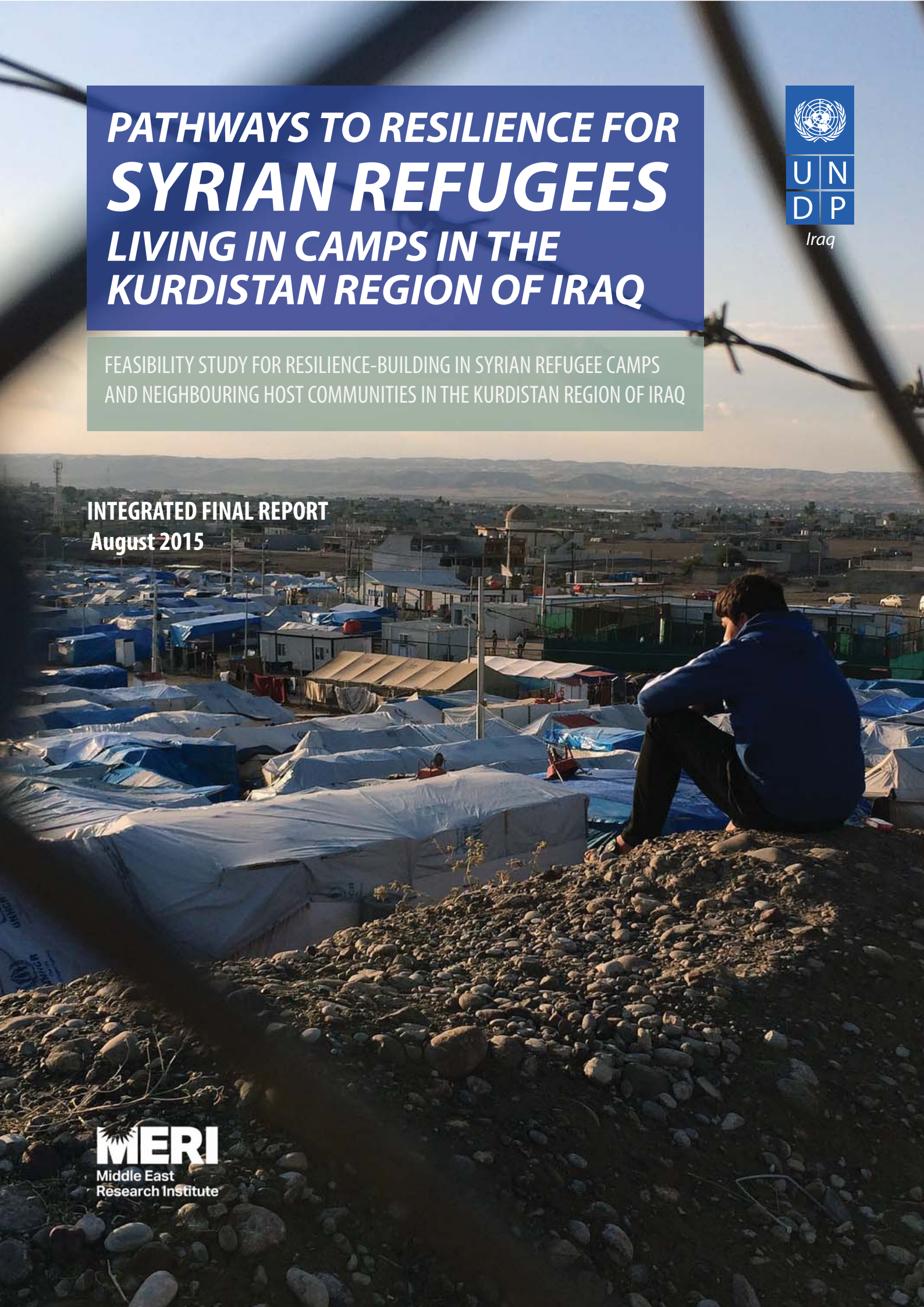
PATHWAYS TO RESILIENCE FOR SYRIAN REFUGEES LIVING IN CAMPS IN THE KURDISTAN REGION OF IRAQ

UNDP Iraq

FEASIBILITY STUDY FOR RESILIENCE-BUILDING IN SYRIAN REFUGEE CAMPS AND NEIGHBOURING HOST COMMUNITIES IN THE KURDISTAN REGION OF IRAQ

INTEGRATED FINAL REPORT
August 2015



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August 2015

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Naresh Singh, Roger Guiu, and Lahib Higel.

August, 2015

Acronyms used in the report

HC	Host Community
IDP	Internally Displaced Persons
KRI	Kurdistan Region of Iraq
KRG	Kurdistan Regional Government
MERI	Middle East Research Institute
MLSL	Minimum Living Standards Line
MSME	Micro, Small and Medium Enterprises
NGO	Non-Governmental Organisation
PDS	Public Distribution System
UNDP	United Nations Development Program
UNHCR	United Nations High Commission for Refugees
USD	United States Dollars
RBDR	Resilience Based Development Response
RLSL	Resilient Living Standards Line
3RP	Regional Refugee Response Plan
WASH	Water, Sanitation and Hygiene.

Executive Summary

This is the final integrated report of the Resilience Feasibility Study of the "Syrian Refugee Camps and their Neighbouring Host Communities" in the Kurdistan Region of Iraq commissioned by the UNDP Office in Erbil, KRI. This report draws from the findings of the earlier reports (desk review, quantitative assessment and qualitative assessment) prepared as part of this study but presents new analyses, syntheses and recommendations not contained in the earlier reports.

The overall aim of the assessment was to explore ways in which the response to the Syrian refugee crisis can move from the provision of humanitarian assistance to a resilience based development response which would support long term self-reliance of both the refugees and the host communities.

Objectives and Rationale

The main objectives of the study were to:

- Create a baseline which can be utilized for the formulation of a resilience-based development response.
- Assess main actors and relevant institutional structures/policies which are conducive or detrimental to resilience building, including vulnerabilities, service delivery mechanisms etc. in both camps and host communities.
- Identify best practices for resilience which have been introduced in the camps under study.
- Identify and prioritize the key resilience-building requirements both for in-camp Syrian refugees and neighbouring host communities, including cross-cutting and vulnerability issues such as community solidarity.
- Estimate the costs required for the interventions of camp resilience building and host community support, divided into recurrent and capital investment costs, stating explicitly the assumptions for calculating the costs.

The main reasons for carrying out the assessment at this time were the diminishing levels of international humanitarian aid, the protracted nature of the Syrian crisis and the downturn of the economic situation in the KRI.

The aim of the assessment was to explore ways in which the response to the Syrian refugee crisis can move from the provision of humanitarian assistance to a resilience based development response.

Methodology

The study was carried out in 4 camps: Domiz and Akre in the Duhok Governorate; Qushtapa in the Erbil Governorate; and Arbat in the Sulaymaniyah Governorate based on criteria such as the stability of the refugee population, its proximity to urban centres, the economic opportunities, and the investments already made in resilience. The study included the immediate host communities in towns around these camps.

The assessment was carried out in 3 main phases. The first phase consisted on interviews with key stakeholders from the humanitarian community and government, gathering the

political consensus on the region. The second phase developed an evaluation of the livelihoods baseline and the impact of the crisis for both the host and refugee communities through a desk review, quantitative assessment and qualitative assessment. In the third and final phase, resilience-based development response options were developed. These form the contents of this integrated report.

The core of a resilience based development response is the support of national systems to assume the role played by international humanitarian relief and provide long term development support. It was therefore crucial to understand the future possibilities of the KRG assuming these roles. Two sets of assumptions were developed to deal with possible future contexts:

The general framework adopted in this study was to consider human resilience coupled with institutional resilience to meet and maintain the delivery of basic services.

- Scenario A: status quo persists, with current economic and security situation deteriorated.

- Scenario B: improving economy, social cohesion and fiscal situation in the KRG.

The general framework adopted in this study was to consider human resilience based on the livelihoods of people coupled with institutional resilience based on the capacity to meet and maintain the delivery of basic services. Indicators for each of these categories were used in the questionnaires, the field assessment and in the development of the baseline and recommendations.

- Key findings on the livelihoods baseline in refugee camps and the host community

- The study completed an evaluation of the livelihood baseline for refugees and host community. Overall, while the host community was seen resilient thanks to a combination of large financial and social capital and a fabric of family-based small businesses, this was not the case for the institutions and the Syrian refugee households. The services provided by KRI institutions have widely deteriorated due to historical underinvestment and the absence of buffer capacity. For Syrian households, the situation of vulnerability is patent due to the lower asset base and weaker coping and livelihood strategies.

Further comparison of specific livelihood components is provided below:

- Food procurement by in-camp refugees. Food security assessments point towards only 1% of households both in camps and in the host community as being food insecure. However, more households in camps were found to be just marginally food secure than fully food secure. Furthermore, external assistance is a key element of the food procurement system for Syrian refugee households (host community too), as a significant proportion of families depenon it. In spite of camps with high employment rates and with a developed system of informal shops, a majority of households reported that the World Food Programme voucher shops were their primary source of food. In those camps still operating with food parcels, the main food source was the local shops, as the parcels were not satisfying household's needs. Apart from the food aid, food procurement patterns were assessed. While in Domiz the vast majority of households procure all their

food (excluding aid) inside the camp, the majority of people in the other camps tend to go to the host community markets to buy food. Respondents were likely to show satisfaction with the quantity and quality of food in the camp shops.

- Labour force participation and job composition. The KRI is currently under a severe economic slowdown. This strongly determines the capacity to generate employment and labour market stability. A policy of free movement in and out of the camps and the facilitation of work permits allows refugees to freely pursue employment opportunities. This has led to similar rates of participation in the labour force for both refugees and host community. 32% of the population between the age of 16 and 59 in both communities are employed (57% of the adult male population and 6% of the adult female population). However, the employment situation, in terms of type and quality of jobs, is significantly different for refugees as compared to the host community. Around half of the population is self-employed in either their own business or in selling their skills on a daily basis (e.g. daily contractors in construction). The second most cited employment is in the private sector, although this is not wide spread out of the main cities of Kurdistan. The most common place of employment is in Kurdistan's governorate capitals, followed by the camps themselves. Significant proportion of refugees are exposed to severe underemployment. Hence, most of the refugee workers report to be employed in unskilled positions, independently of their set of skills or qualifications.

- Business development by the refugee and host community. The proportion of households in refugee camps that have set up or own a business is found to be lower than within the host community, with only between 13% and 30% of households reporting to have a business. However, the most important difference is the employment that each business is able to generate. The capacity to generate employment in camps is extremely limited as the camp is currently a very closed economy. In addition, a major obstacle identified was refugees' legal inability to run a business outside of the camp.

- Income generation. Overall, significant differences persist between the average household income in refugee camps and in the host community. The lower average income for refugees can be explained by different factors. First, refugees mostly work in unskilled positions in spite of their frequently higher skills or qualifications. Second, the work available for refugees is frequently temporary and, as seen above, a significant proportion of refugees is not able to work full time. Finally, on average refugee households have less members employed, than host community households. It is much less frequent to find families in the refugee camps with two or more members working, attributable to a smaller household size and a higher ratio of dependent household members.

- Physical capital. Many refugee households have been able to afford building a durable structure in the camps. However, there are significant differences in the shelter condition both within camps

The employment situation, in terms of type and quality of jobs, is significantly different for refugees as compared to the host communities.

and between camps. Differences in shelter are attributable to affordability issues and policy constraints. Building constraints have been increasingly imposed in all camps to different degrees, limiting, for instance, the amount of durable building materials that can be used in camps. Regarding infrastructure access, large differences remain in the water supply system, where most of households in refugee camps are still not endowed with individual household access to water. There is a need of further investment to equate with the host community, where nearly 90% of the households have individual household access. Availability of latrines is also relatively limited in some camps, with investments still required, especially in the Domiz camp. For wastewater disposal, the infrastructure system is underdeveloped, in line with the rest of the region. Access to electricity is widespread although caps on the power capacity apply.

- Human capital. The education levels are consistently similar across the camps. The major group is formed by respondents with secondary education level (38% on average), followed by primary level (31%), no formal schooling (19%) and, finally, university level (11%). There are significant differences by gender and age. For the population below the age of 30, a third of the female respondents have university degrees, compared to only 17% of the male population. This distribution of education levels is very similar to the situation in the host community. Information about skills was also collected in order to understand the composition of the labour force and what training would be best targeted. On average, refugee households reported certain skills more frequently than host community households. The most cited skills in both communities are house fixing, retailing, construction and, in the case of the host community, IT. Regarding the skills sought for employment, households in the refugee camps tend to prefer skills related with vocational trades. An important constraint regarding the applicability of skills, however, is that the refugees' official certificates (mainly from higher education) are usually not acknowledge in the KRI's labour market. Finally, regarding the health status, it was found that people's health condition had overall worsened in the camp in comparison to Syria, as individuals living in a camp are more prone to suffer from medical conditions, especially due to bad preparedness for winter and due to psychological issues.

- Social and political capital. In both refugee and host community, social bonds play a huge role. People frequently turn to their respective community as a safety net, either through direct help, through borrowing money or in helping to get a job. Within the refugee camps, trust levels appear to be high in spite of lack of space and the need to share some resources. The time factor plays an important role, as families that have been residing in the camp for longer are more likely to show higher trust in neighbours. Relationships and trust amongrefugees and the host community, thanks to the cultural proximity, were also regarded as high. Perceptions of an insecure environment within the camp are generally low, but still relevant. Regarding political capital, all the refugee camps in the KRI

have a body formed by camp residents that engage with camp management on organisational issues. When evaluating the perceptions of camp residents over these decision-making bodies and their effectiveness, relatively high numbers of households reported that they are not satisfied and do not have any capacity to influence how things are organised in camps. However, the main desire expressed by refugees was not to gain more influence themselves, but to improve the system so that their needs are better acknowledge and that injustices in the camp system are tackled.

- Financial capital. The levels of financial capital were evaluated by assessing the financial situation of households under crisis. First, a number of governmental safety nets exist in the KRI, such as pensions, social security and cash allowances for vulnerable families. However, refugee households are not entitled to any of these nets. Second, the percentage of Syrian households that reported they have been able to save money during the preceding month for future expenses is extremely low. It is generally observed that many families in camps struggled to cover their current expenses with the income generated, as between 21% and 32% of the households (except in the Arbat camp, where the percentage sharply rises to 72%) reported higher monthly expenses than monthly their income. Finally, near half, on average, of families in camps reported to be able to borrow money from their family or friends as the main source of financing. This still leaves a significant number of families vulnerable to sudden needs or unexpected expenses. In addition, levels of indebtedness are above 50% in camps, as well as in the host community, although debt amounts are not as high as in the host community. In general, this week financial position is limiting the ability to obtain capital for business development or to acquire productive assets. As credit is mainly generated from within the same refugee community, the gradual depletion of savings also means that less and less families are able to loan money to other families.

When evaluating the perceptions of camp residents, high numbers of households reported that they are not satisfied and cannot influence how things are organised in camps.

- Natural capital. Natural capital in the form of land is possibly the asset base that has contracted the most for the in-camp refugees, as access to arable land and recreation areas are rather limited. Mainly, refugees cannot buy and own land in the KRI, despite the fact that arable land is available. Renting land is not seen as an option due to concerns over economic feasibility.

- Public services: education provision. The Basic and secondary education in camps is mainly provided through schools operated by Kurdistan's Ministry of Education, complemented in some cases by facilities run by international NGOs. The same curriculum is shared in both host and Syrian communities, and translated into Arabic in the camp schools. Enrolment is above 90% in basic education for the host community, while it falls slightly below 80% in the camps. The rates in secondary education are significantly lower, mostly linked to economic reasons. Most of the camps do not have sufficient school facilities and teachers, hence school overcrowding is a wider issue than in the immediate rural host community. However, due to historical underinvestment in the sector,

Levels of indebtedness are above 50% in camps, as well as in the host community.

education of refugees in the host community schools does not provide a real alternative for camp schools.

- Public services: health care provision. The government provides a basic level of care to all residents in Kurdistan, including for the refugees. The provision of health care in camps is a mix of services managed by the governorates' department of health and services managed by the humanitarian community. Refugee camps are endowed with at least a medical post and a primary health centre, with standards of services higher than in other areas of the region due to higher requirements of international humanitarian standards. However, focus group discussions also highlighted some complaints about the service provision, specifically in terms of lack of good and specialised doctors and their availability —a problem extended to the facilities in the host community too. The proportion of refugees that require health treatment is significantly higher than of the host community. However, refugees mainly attend public health facilities within Kurdistan more than they Visit facilities operated in camps, hence facing the same service issues as the host community.

- Public services: utilities and municipal services. The investment and operation of the water supply system is being assumed by the humanitarian partners, with a gradual involvement of local authorities. Reliability of the service is lower in camps, compared to the host community, both in supply and water quality. Regarding electricity supply, the availability of service supply is dependent on the proper functioning of the national grid, which is not able to support a 24-hours supply. However, refugee households do not have a generalised access to communal generators. Finally, solid waste collection in the refugee camps is provided by contractors funded mainly by humanitarian partners. There are environmental concerns at the disposal end of the service, which involves mainly dump sites in the open air. It must be noted also that a significant amount of respondents in the refugee camps answered that they would be willing to contribute financially to the service provision, at the same expense levels as for the host community.

Feasibility assessment for developing Resilience Based Development Responses (RBDR)

One of the main challenges of designing RBDR is ensuring equity among groups as they are supported to better able to cope with shocks and stresses. Therefore, taking into consideration the differences between the refugee and host communities in terms of livelihoods, Minimum Living Standard Targets (MLSL) were established that would grant in-camp refugees similar living standards as the host community. The overall approach of the MLSL is to focus on how to build on assets and foster resilience rather than to measure deprivation. The MLSL serves as a multidimensional approach that uses many of the indicators used in the Multidimensional Poverty Index but also expands its dimensions to cover critical factors in the refugee or crisis context. In addition, enhanced resilience targets were agreed so that they form a buffer in which households can rely without falling beyond the minimum living standards in case of shocks. A detailed baseline of all indicators is presented in Section 6.1.

Based on the targets established, the formulation of a resilience-based development response determines how to build human resilience on the one hand and institutional resilience on the other. For this, two options are contrasted:

- Option 0, based on a business-as-usual scenario, i.e. doing nothing particularly different and keeping current aid provision until funds run out. The long term outcome is likely to be similar to those refugee camps in KRI now converted into informal settlements, with poor development infrastructure, continued dependency and isolation rather than integration.

- Option 1, based on an integrated program of human and institutional resilience-building supported by the international community for 5 years in face of declining relief aid. Through key interventions, the main outcome is an active advancement of the refugee and host community livelihoods baseline to the minimum and resilient targets defined.

This report concludes that resilience-building for Syrian refugees in camps is seen not only feasible, but prudent by undertaking Option 1. A strategic approach is developed, based on enhancing livelihood strategies, expanding households' asset base and strengthening institutions and public service provision. The key principles on which this approach is based are the following:

- Addressing the gaps in livelihood strategies (i.e. those that drive towards income poverty) and expand the base of key assets is a priority, but this can only be achieved through a combination of livelihood programming and advocacy for policy changes by the KRG and the governorates.

- Some key investments in basic infrastructure is still needed in camps but, above all, institutional resilience depends on system-wide resilience. As resilience will not be ensured at camp level, there must be support to capacity building to the regional institutions, improving in turn cost recovery mechanisms.

- The strategic approach is critically dependent on the assumptions on KRI evolution. The baseline taken is the current situation, which is the worst case scenario in terms of social, political, economic and institutional paralysis. However, under assumptions of an improving situation, livelihood opportunities within the host community will automatically regenerate as the economy revives. The strategy then would shift towards reinforcing camp institutions and refugee councils in order to gradually hand over service provision and advocate for a transition from ad-hoc decision-making to a planned vision and strategy.

Bearing in mind the livelihood gaps and the principles stated above, Table 1 summarises the key outputs to meet the resilience targets.

This report concludes that resilience-building for Syrian refugees in camps is seen not only feasible, but prudent.

Table 1: Key outputs for a resilience-based development response

Enhancement of livelihood strategies
• Promote better job placement for refugees and a more legally secured labour environment. This requires actions oriented to a more dynamic labour market access as well as actions oriented to increase the protection of labour rights. • Property rights recognition for Syrian refugees (or special permissions fit for purpose) to facilitate business development outside of the camps or to engage in agricultural activities as employer. • Enhance business development in camps and in the host community, with focus on micro / small businesses, on partnerships with host community members and on medium-sized added-value businesses. • Improve quality and quantity in food procurement through market capacity support.
Household assets expansion
• Interventions to facilitate a more durable shelter structure, which range from advocacy in camps for policy change to a support for low-income households. • Schemes to encourage and expand household savings, taking into account that a better financial level in camps could also be the base to build an internal safety net scheme for vulnerable families or other projects. • Women empowerment to facilitate participation in the labour force within a context in which only a marginal proportion of women are employed due to socio-cultural barriers and lack of trust between communities. • • Putting forward enhanced psychological support in camps to enhance capabilities of individuals. • Capacity building in camp management to better attend people's needs and improving trust levels and social / political capital, potentially through supporting a more horizontal structures and supporting enhanced capacity and staff increase in camp management. • •acilitate exchange platforms between in-camp refugees and host community members through community trust building to overcome the physical and mental barriers created by gated camps. • Productive natural capital generation in camps and within the host community, which can be linked to innovative agro-processing initiatives.

Public services strengthening

- Investment required in water supply infrastructure in camps in order to match the provision level of the host community.
- Investment in basic infrastructure in the host community for a reliable supply, which has been widely affected by capacity constraints.
- Pilot projects in innovative solid waste management and recycling that can also generate new income opportunities and added value, serving as a model to expand within the host community.
- Support in education and health provision expanded beyond camp boundaries, where a maintenance of financial support in in-camp provision must be complemented with strengthening service delivery mechanisms to ensure equitable access to quality services at affordable cost, developing national systems of delivery.

RBDR program funding

While it is estimated that humanitarian relief aid will be decreasing during the following years due to a gradual reduction from donors, resilience support should be increased. It was found that out of current 15 million USD on relief aid in the 3RP for 2015, only 1 million USD is allocated specifically for resilience-building. Hence, an indicative planning budget of 17 million USD over 5 years is estimated to support the RBDR interventions for the 4 camps and their respective host communities. A safety net is also proposed with an additional budget of about 10 million USD (2 million USD per year) to ensure households are able to bounce back in the face of additional shocks.

In addition, there seems to be enough room for the provision of the existing level of services from a combination of increased government support and some user fees (both from the host community and refugee households), if some of the reduced humanitarian spending were to be invested in the Government's services provision capacity aimed at institutional resilience. Estimations of the current expenses in service provision in camps were carried out, pointing to a situation where the KRG would require an increase of about 30%-40% their current in-camp expenses (an addition of 17 million USD annually), if authorities are expected to gradually fully assume some of the service responsibilities for the refugees in camps, such as health, education or WASH currently provided by international bodies.

Photo: Enno Lenze, January 2015

1. Introduction

This report integrates the findings presented in 3 other reports which emanated from the 3 phases of the assignment to conducta "Resilience Feasibility study of Syrian Refugee Camps and their Neighbouring Host Communities" in the Kurdistan Region of Iraq (KRI). Together these four reports present the results of the assessment including findings and recommendations. The study was commissioned by UNDP in March 2015 and undertaken by the Middle East Research Institute (MERI) represented by Roger Guiu and Lahib Higel. The team leader was Dr. Naresh Singh, an independent consultant.

The overall aim of the assessment was to explore ways in which the response to the Syrian refugee crisis can move from the provision of humanitarian assistance to a resilience based development response which would support long term self-reliance of both the refugees and the host communities.

Objectives

The main objectives of the study were to:

- Create a baseline which can be utilized for the formulation of a resilience-based development response.
- Assess the main actors and relevant institutional structures/policies which are conducive or detrimental to resilience building, including vulnerabilities, service delivery mechanisms etc. in both camps and in the host community.
- Identify best practices for resilience building which have been introduced in the camps under study.
- Identify and prioritize the key resilience-building requirements both for in-camp Syrian refugees and neighbouring host communities, including cross-cutting and vulnerability issues such as community solidarity measures.
- Estimate the costs required for the interventions of camp resilience building and host community support, divided into recurrent and capital investment cost, stating explicitly the assumptions for calculating the costs.

Background

With over 7 million displaced persons within Syria and over 3 million refugees in neighbouring countries the crisis is seriously challenging the social, economic and political conditions in the host communities and countries, which may not only halt but also reverse development gains. Thus the conflict has thus become both a humanitarian as well as development crisis. To this end the UNDP Sub-regional Response Facility to the Syria Crisis in partnership with the United Nations Development Group on Resilience of the Arab States / MENA Region recommended a resilience-based development response to the Syrian crisis[1]. The Regional Refugee and Resilience Plan (3RP) for 2015-16 thus has a resilience component in addition to the refugee component. Its aim is not to replace humanitarian assistance but to complement with activities that reduce long-term dependency among beneficiaries and that support independent and self-sustaining development. The resilience approach has three strategic objectives:

The Regional Refugee and Resilience Plan's aim is to complement with activities that reduce dependency among beneficiaries and supports independent and self-sustaining development.

1 UNDP, 2013. Position paper: a resilience-based development response to the Syria crisis. December 2013.

i. Coping: individuals, communities, authorities, institutions and systems are strengthened in their ability to cope with shocks and stresses without complete or partial collapse.

ii. Recovering: individuals, communities, authorities, institutions and systems are able to recover from setbacks and return to prior levels of development and prosperity, or better.

iii. Transforming: individuals, communities, authorities, institutions and systems learn lessons from coping and recovering to build back better, and so are strengthened and transformed in their ability to accelerate development and to enhance their ability to prevent or deal with future crises.

This also works in line with the UNHCR policy on alternatives to camps[2], which recognizes that camps tend to have a negative impact over the long term, for all concerned. While camps engender dependency and weaken the ability of refugees to manage their own lives they also tend to distort local economies and development plans. Although camps may be essential as immediate emergency response in order to provide protection they also limit the rights and freedoms of refugees. Alternatives to camps should therefore remove barriers to leading an independent life and enhance prospects of normality as members of the community. This includes refugees living in urban as well as rural areas.

The approaches of resilience-based development and alternative to camps policy require convergence with national development planning.

Both of these approaches of resilience-based development and the alternative to camps policy require convergence with national development planning, may it be infrastructure, education or health services. A comprehensive approach is more sustainable as it avoids duplication that arises from parallel structures serving refugees and instead contributes to lasting impact that also benefits the host community. This entails refraining from establishing camps in the first instance and making refugees an integral part of the host community system, or phasing out existing camps by turning them into sustainable settlements that are linked to the local infrastructure, economy and public service provision.

In Iraq the number of Syrian refugees has reached nearly a quarter of a million, of which 96% have sought refuge in the Kurdistan Region of Iraq (KRI). Approximately 100,000 refugees are hosted in the Governorates of Erbil and Duhok respectively and 30,000 in Sulaymaniyah. Nearly 40% of the refugees are hosted in camps while 60% are residing in non-camp settings, mainly in the urban areas[3].

Over the course of four years people have been displaced to Iraq in several waves and for different reasons relating to the conflict. While some fled Syria as a direct consequence of violent conflict, others left due to economic hardship caused by the conflict. Although occasional returns to certain parts of Syria have been noted, the overall trend of number of refugees has been increasing rather than decreasing, and with no reversal in sight.

When the influx of Syrian refugees started, Iraq and the KRG in particular enjoyed relative stability and economic progress. People seeking refuge thus entered a benign environment with both the government (KRG) and host community willing to support the refugee population. However, the situation changed with the Islamic State's advances

2 UNHCR 2014. Policy on Alternatives to camps. July 2014.

3 UNHCR 2015. Registration trends for Syrian persons of concern. Iraq consolidated statistics, 15 March 2015.

in Iraq since June 2014, when large parts of the western and northern territories of the country, including the second biggest city - Mosul - were occupied. The deteriorating security situation unleashed a severe displacement crisis within Iraq that has now reached 2.7 million, with close to 1 million displaced in the governorates of the KRI[4]. This has set the KRG under a lot of strain, especially when it comes to provision of public services. The crisis also had a negative impact on the labour market as foreign investment in the KRI drastically decreased and competition for jobs increased due to the large inflow of people.

Apart from the sudden increase in the Region's population due to the IDP and refugee influx, the KRG's ability to support and provide basic public services for everyone is severely restricted due to a set of stressfactors including budget disputes with the federal government, and decreasing oil prices and donor fatigue in the international humanitarian community.

The budget crisis between Baghdad and Erbil dates back well before the intrusion of ISIS in mid-2014. The 17% of the federal budget that KRG is entitled to was withheld already from January 2014 based on allegations that the KRG was exporting oil independently from Baghdad and due to lack of transparency in its oil revenues. The transfers from Baghdad represent more than 80% of the KRG revenues. Not until December did the two parties reach an agreement for the region's oil production and revenue sharing. However, three months later public servant salaries in the KRI are still in arrears[5].

Adding to this, the decrease in global oil prices, which dropped from $75 to $55 per barrel only in December 2014, entailed a 30% fall in the central government's revenue from the beginning of the year[6]. As the oil sector provides more than 90% of the government revenue, its impact on the budget is severe and, hence, the amount of funds to be transferred to Erbil are going to be lower than in previous years.

The national and regional economic challenges facing the KRG have strongly limited its ability to respond to the displacement crisis. The international community has provided financial as well as material support but serious gaps in funding remain. Of half a billion US dollars required by the UNHCR only 50% is funded. Simultaneously there are mixed signals from donors. Some donors are reluctant to provide further support. For example Saudi Arabia that donated $500 million in 2014 announced that this was a one off contribution[7].

The KRG's ability to support and provide basic public services for everyone is severely restricted

Rationale

As discussed above, internal factors in Iraq as well as external factors surrounding the crisis are reinforcing the push for a shift from a pure humanitarian response to a more nuanced development-oriented response. These factors can be summarized as follows:

- Diminishing aid funds from the donors and the international community, as pressure increases to provide further support for the internal displacement crisis of Iraq.

4 IOM, 2015. Displacement tracking matrix, round XVII. March 2015.

5 Financial Times, 2014. Baghdad and Erbil end months-long dispute over oil revenues. 2 December 2014.

6 Middle East Research Institute, 2014. Iraq's federal budget: some insights. February 2015.

7 UNCHR, 2014. Iraq factsheet, September 2014.

- Expected protracted stay of the refugees in Iraq and Kurdistan, as there is consensus that the Syrian crisis will still endure. Even if the violent conflict recedes, refugees' ability to pursue the former livelihoods is severely undermined.

- Lack of a solid financial basis of the KRG to match the humanitarian support that refugees are receiving currently from the international community. In this sense, the KRG cannot substitute for the humanitarian partners but capacity building for the KRG and for the society needs to be promoted.

The focus on resilience building in camps rather than refugees residing in the host community has several reasons. Considering the UNHCR policy to alternatives to camps, it is important to find pathways out of the dependency that camps tend to engender. Secondly, the magnitude of the current crisis affects society as a whole as infrastructure and public service provisions are severely stretched. Treating refugee camps separately from the national system thus runs the risk of creating discrepancies with the host community and social tensions. Camps with their own parallel structures often enjoy better public service provisions than the host community itself; for instance, in health services as the standards set by the international community are higher than those present in the KRI. Refugees residing in camps also tend to be more dependent on support from the international community and, considering the scarcity of international funding, resilience of camps becomes even more pertinent.

Table 2: Location and size of the selected refugee camps and neighbouring districts

Camp	Camp Population	Host Community Districts	District Population	Governorate
Domiz	49,045	Sumel Duhok	162,058 323,400	Duhok
Akre	1,442	Akre	152,214	
Qushtapa	6,285	Dashti Hewler	203,072	Erbil
Arbat	5,878	Sharazur Darbandikhan	58,536 43,297	Sulaymaniyah

This study covers selected refugee camps and their nearby host communities.

The following table summarises the camp location and size within their immediate host community:

Scope of the study

This study covers selected refugee camps and their nearby host communities.

- Camps: The four camps are Domiz and Akre in the Duhok governorate; Qushtapa in the Erbil governorate; and Arbat in the Sulaymaniyah Governorate. These camps were selectedby UNDP in collaboration with UNHCR and the inter-sector coordination group. They were selected for piloting a resilience approach based on various criteria, such as the stability of the refugee population, its proximity to urban centres, the higher economic opportunities, and the investments already made in resilience.

- Immediate host community: For the purpose of livelihoods programming, the evolution of the Syrian refugee community is linked to the dynamics within the host community. Hence, the current assessment also includes the immediate villages and towns next to the Syrian refugee camps. In practical terms, the scope is limited to the closest districts in which the camps are located, which are in almost all cases rural areas.

Organisation of the report

The rest of the report is organised as follows:

- Section 2 describes the methodology and phases followed to develop this report.

- Section 3 presents our assumptions on the evolution of KRI that will affect the resilience building process, with two scenarios: status quo and an improving situation.

- Section 4 deepens the concept of resilience, differentiating between human / institutional resilience and general / specific resilience.

- Section 5 analyses the findings on the livelihoods baseline evaluation for in-camp refugees and neighbouring host community.

- Section 6 highlights the main recommendations for a strategic approach to a resilience-based development response, based on interventions aimed to advance livelihood baselines to proposed resilience targets.

Photo: Safin Hamid, 2014

2. Methodology

The study was organised in three main phases. In the first phase, the objectives were clarified among team members: the basic concepts, the analytical framework to be used, the training that would be required for field enumerators, the outcomes expected and the review of what is already known. This phase included interviews with key stakeholders from the humanitarian community (sector leaders and UN/NGO officers involved in shelter, education, health, protection, etc.) as well as government officials. Gathering the political consensus in the region was a key element in order to understand how policy developments are affected by the humanitarian emergency and whether there are institutional barriers that would prevent a resilience-based development for the displacement crisis.

The second phase aimed to conduct an evaluation of the livelihoods baseline and the impacts of the crisis for both the host and the refugee communities. Through reviewing existing data and generating new data through fieldwork, this assessment aimed to map a baseline of the assets that households possess, the livelihood strategies they undertake, the provision of public services and the main policies affecting their livelihoods. In particular, the livelihoods baseline was constructed through the following exercises:

- Desk review. Pre-crisis and post-crisis data mining was carried out from available socio-economic assessments for both refugee camps and the host community. The most relevant datasets used were REACH's in-camp refugees and host community assessments (December 2014), World Bank & CSO's Iraqi Household Socio-Economic Survey (2007), UNICEF's Iraq Multi-Indicator Cluster Survey (2011), World Bank's Impact assessment of Syrian conflict and ISIS crisis on Kurdistan (November 2014) and KRSO's Labour Force Survey (2012).

- Quantitative assessment. Two household questionnaires were prepared and peer-reviewed to fill the data gaps identified from the desk review and to gather future visions and perceptions of both refugees and host community members. The sampling strategy in the 4 camps of study was designed to obtain a 95% confidence level for each population (90% in each location).

- Qualitative assessment. Further research through focus group discussions was developed in order to gain in-depth responses on key livelihood issues. Focus groups were conducted in the camps of Qushtapa, Arbat and Domiz for different population groups: young men and women, adult men and women, and vulnerable population.

The reports for these three exercises are available as separate reports with detailed descriptions and datasets. Their findings were integrated in a common assessment for the Syrian refugees and their host community in order to understand the main livelihoods gaps between communities. This integrated livelihoods narrative is summarised in the sections below, providing the basis for

recommending actions on the livelihood areas deemed most vulnerable.

In the third and final phase, RBDR options were developed on the basis of two sets of assumptions of the possible situation in the KRI. One is that of the current deteriorated economic and social situation continuing in the future, and the other that of an improved situation. This phase included a multi-stakeholder roundtable discussion of the findings, the draft baseline and the proposed resilience-building options. The outcomes of this final phase are contained in this integrated report.

Options were developed on the basis of two sets of assumptions of the possible situation in the KRI.

Photo: M. Chatziantoniou, EU/ECHO, April 2013.

3. Assumptions on the Evolution of the Kurdistan Region in Iraq

The study uses two sets of assumptions or scenarios of the situation in KRI going forward in order to develop the RBDR options. The first set is based on the situation as is continuing, or the status quo continuing. The second set will be based on an improved situation. We considered a third set in which the situations worsens but concluded that that scenario is already part of the status quo as we present it below. The main characteristics of the assumptions are highlighted in Table 3.

These assumptions play a role when developing the RBDR options in the last section of this report. Recommendations are put forward based on a perseverance of the status quo. Additional caveats on how RBDR should vary under an improved scenario are provided afterwards.

Table 3: Assumptions on KRI situation for the study

Assumption A: Status Quo	Assumption B: Improving Conditions
Economic aspects • The budget crisis for the KRG continues (no budget coming from Baghdad). • KRG will rely on foreign loans for a minimum operational budget (with high interest rates and worsening of the region's credit rating). • Because of fiscal paralysis, employment levels in the private sector continue to decline as consumption levels drop sharply.	*Economic aspects* • Fiscal crisis is resolved and the government has budget availability (note however, this might not automatically translate into higher spending on the Syrian refugees). • Payment of salaries to governmental employees resume (50% of the labour force), with a consequent improvement of small businesses (as people start consuming) and the construction sector (as public sector procurement resumes).

Table 3 Continued

Assumption A: Status Quo	Assumption B: Improving Conditions
Social aspects • Continuous increase of the IDPs arriving in KRI (roughly 5% to 10% increase monthly), with increasing demands on government and international support. • Increase in the total population of Syrian refugees in KRI, but an even larger increase in the population in camps (as refugees that live in the host community seek to live in camps). • Social tensions likely to increase (levels of trust likely to decline with increased competition for livelihoods means).	*Social aspects* • The number of IDPs in KRI remain the same for a while (at roughly 1 million) and then gradually declines (between 0% to 5% monthly). • The rate of increase of refugees moving to the camps will gradually go down (the push factor from host community to camps will be no more relevant). • Total population of refugees in camps slightly decreases (0.8% - 1.3% monthly). • Social tensions avoided.
Security aspects • Security concerns remain high, conflict in Iraq persists with implications for the economy, society, etc. Conflict in Syria persists so refugee flows into KRI continues and return is unlikely.	*Security aspects* • Security situation improves, with positive consequences for the economy. Syrian situation remains the same.
International support • Decline in international humanitarian aid for the Syrian crisis continues.	*International support* • Decline in international humanitarian aid provided for the Syrian crisis continues but at a slightly faster rate than the status quo scenario.

4. Measuring Resilience

Many of the concepts around resilience-building do not yet have a universal consensus on their definition and meaning. Below there is a discussion on how this report uses some of these terms.

Human resilience is based on people's capacity to sustain their livelihoods, and institutional resilience is based on the capacity of the national system to deliver public goods and services.

A **resilient system** is one which has the capacity to withstand shocks and stresses, recover from such stresses and transform to be better able to deal with future challenges. In social-ecological systems these criteria apply to livelihoods of individuals and households in communities, the provision of public services and the maintenance of ecological integrity.

The link between livelihoods and institutional strengthening in developing a RBDR is described in the 3RP 2015-2016 as follows:

"Complementing key protection activities, and central to resilience and stabilization efforts, is the expansion of livelihoods and employment opportunities for vulnerable men and women, especially the youth, in accordance with national laws and regulations. The strengthening of national and local institutions and systems' capacities to cope with increased demands and continue providing quality services is a priority. Scaling-up investments in the resilience of individuals, communities and institutions will contribute to reduce dependency on external support, enhancing the cost-effectiveness and sustainability of the response to the crisis".

The sections below expand on the discussion on (i) the link between peoples' and institutions' resilience as well as (ii) the interactions between small community resilience and system-wide resilience.

4.1. Human and institutional Resilience

In the development context, the implication for resilience is that the overall system is able to meet and sustain acceptable social, economic and environmental conditions without humanitarian relief. Hence, this approach combines two dimensions: **human resilience** is based on people's capacity to sustain their livelihoods, and **institutional resilience** is based on the capacity of the national system to meet and maintain the delivery of public goods and services such as rule of law, security, water and sanitation, health, education, etc.

Our approach to building resilience is based on the interaction between human and institutional resilience. In practical terms, the Sustainable Livelihoods Framework[8] suggests that a more resilient livelihoods system would be achieved by:

- **Building up people's asset base (human resilience component)**. Resilience is dependent on facilitating households to grow their assets, as they are the means to better income or well-being, enhanced food security, or reduced vulnerability. The relation between resilience and asset base appears in many ways. For instance, a household's ability to escape from poverty is critically dependent upon its access to different

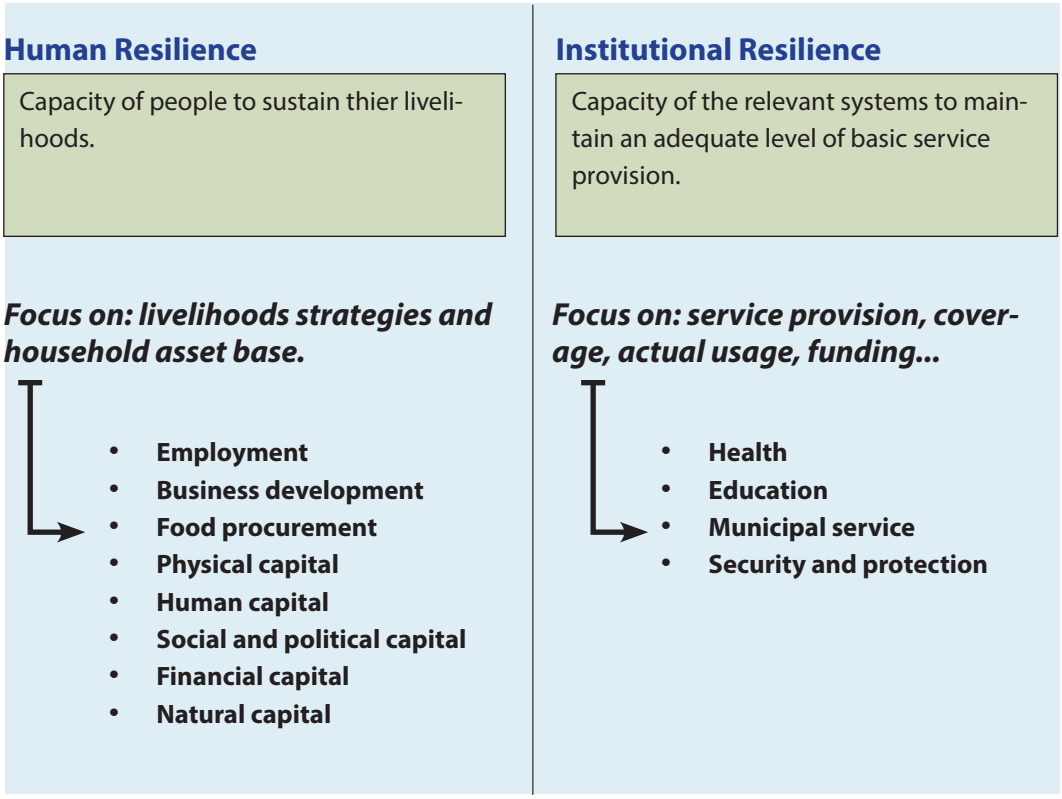
8 See for further information: UNDP 2013, Livelihoods and Economic Recovery in Crisis Situations; DFID 1999, Sustainable livelihoods guidance sheets.

assets, as those with more assets tend to have greater range of diverse strategies to secure their livelihoods. In addition, having a greater asset endowment implies more influence to improve policies and institutions. Finally, those with a smaller asset base are the most vulnerable in the event of shocks as households tend to rely on negative coping strategies that deplete their asset base.

- **Transforming public structures and policies (institutional resilience component)**. These elements have a great impact on the potential to build resilience within a system. For instance, they may help cushion the impact of external shocks through facilitating access to assets or through extending social safety nets to particular vulnerable groups. On the contrary, some institutional and policy elements can be the reason for social exclusion of the poor and minorities. In essence, however, without working institutions, services go undelivered, markets do not function and people's vulnerability increases.

To measure and evaluate resilience, therefore, we rely on several key criteria for the two resilience dimensions, as shown in Figure 1. Further discussion is provided below on how they can be the base to establish a minimum living standard.

Figure 1. Framework to assess resilience in communities



Measuring Human and Institutional Resilience

Starting with human resilience, the criteria is based on evaluating the livelihood strategies and household asset base in terms of guaranteeing a minimum income required by households to sustain their livelihoods. This means, overall, total household expenditure to ensure basic survival (food for 2100 calories/person, water), sustain livelihoods in the medium to longer term (investing for jobs, farming, MSMEs, training, assets, capabilities) and achieve a minimum locally acceptable standard of living (afford basic needs and services, housing, transport, communications, etc.). The key variables to be measured are peoples' activities:

- Jobs and employment (formal and informal) as well business activities (MSMEs).
- Assets (human, social, natural, physical, political and economic capital).
- Capabilities (combination of skills, mindset, capacity to navigate complex challenges).
- Alternatively, measures of the percentage of people falling below the standards defined and costs of the safety net required.

Regarding institutional resilience, the focus is on access to basic services for both host community and refugees, and the maintenance of such services in face of changes in the vulnerability context (increases in refugees, IDPs, policies, security conflict, disasters, etc.) Criteria that can be used to measure such resilience include (inter-alia) the levels of services required, installed and contingent capacity, costs, and who pays for the following:

- Health: primary and secondary health care standards are met and sustained for all as per the Ministry of Health, and access is guaranteed.
- WASH: safe drinking water, toilets, showers, solid waste disposal (indicators can be adapted from Sphere or those currently existing).
- Education: curricula, class size, language, teacher salaries, facilities, etc
- Security and Protection: rule of law, rights, safety nets, etc.
- Camp Management: participatory structures, electricity, roads, waste, etc.

Many of these variables are routinely measured but some gaps still exist. Qualitative and quantitative assessments were carried out in this exercise to fill these gaps. The collated results of the variables measured for both human and institutional resilience are presented in Section 5. They are then used to define the recommendations for a minimum living standard and a resilient living standard described in Section 6.

4.2. General and Specific Resilience

Is the development trajectory of the KRI moving towards greater resilience? Is the overall society as a social-ecological system going to be able to deal with multiple shocks and stresses (better) in the future? The answer to these questions is required for a complete understanding of whether we can build a resilient subsystem of the refugees in camps

interacting with their host communities.

Resilience applied to problems relating to particular aspects of a system that might arise from a particular set of sources or shocks such as the refugee situation in KRI can be referred to as **specific resilience**. The broader resilience concern is with the economy, ecology and KRI society as a whole and its capacity to deal with all kinds of shocks, including completely novel ones. This is referred to as **general resilience**. The KRI economy being dependent on single commodity, oil, which is subject to unpredictable global price shocks cannot be considered resilient in general terms. This should be taken into account when introducing measures aimed at building specific resilience for the Syrian refugees. Also there is a danger in becoming too focused on specific resilience because increasing resilience of particular parts of a system to specific disturbances may cause the general system to lose resilience in other ways.

Nevertheless, resilience thinking suggests that specific events such as the refugee influx may open up opportunities for re-evaluating the current situation, trigger social mobilization, recombine sources of experience and knowledge for learning, and spark novelty and innovation. It may lead to new kinds of adaptability or possibly to transformational change.

While it is beyond the scope of this study to assess or make recommendations on the general resilience of KRI, some of its existing features might pose limitation to building resilience for the camp refugees and so should be borne in mind. A brief discussion of the key aspects and characteristics that underpin KRI's resilience are discussed below:

- The fact that KRI, and the whole of Iraq, is a single commodity oil based economy was mentioned earlier. There is little economic diversification. The public sector, services, construction, private sector are all dependent on oil income. Despite not being a sovereign state, it is surprising that it does not have a sovereign fund in which surplus oil revenues are saved for periods of low oil prices.

- Physical security might be considered significantly good and social capital also seems to be quite high, although this is a society highly dependent on government subsidies.

- One of the main ecological issues is that of ground water depletion as well as air and water pollution. Water consumption levels per capita are high and the depletion of the water tables in many aquifers is becoming a very serious issue acknowledge by authorities.

- Regarding political governance, the internal electoral democracy is relatively solid compared to its regional peers, but relations with Iraq's central government and neighbours are important and these can be rocky at times. Doing business is comparatively better than in Iraq and similar to its neighbours, which is a positive aspect that may encourage key investments[9].

The KRI economy being dependent on single commodity, oil, which is subject to unpredictable global price shocks cannot be considered resilient in general terms.

The key question that arises then is how well can the KRI deal with shocks due to IDPs and refugees (in total) and more specifically refu-

9 Economist Intelligence Unit, 2014. Benchmarking the Kurdistan Region of Iraq. July 2014.

gees and, finally, refugees in camps. Fortunately, the numbers of refugees in camps is very low compared to the populations of the IDPs, the refugees living in the host communities, or their immediate host communities; and so their impact on the host community as well as the costs of a RBDR should be modest[10].

10 Further reference is given in the opportunities and constraints analysis for RBDR for refugees in camps, below.

Photo: Caroline Gluck, EU/ECHO, October 2014.

5. Findings

5.1. Evaluating the current livelihoods baseline for in-camp refuges and host community

The sections below draw the livelihoods baseline of Syrian refugees in the selected four camps. The livelihoods of the immediate host community, that is, the local population in the towns immediately surrounding the camp, is also analysed in order to understand the major livelihood gaps between both communities. The data is organised under the livelihoods conceptual framework previously introduced: (i) livelihood activities, (ii) asset base, and (iii) public services.

The data presented is an integrated summary of the 3 separate reports produced in this study: A Desk Review, a Quantitative Assessment Report, and a Qualitative Assessment report. The data here is not disaggregated by camp or location, but instead it provides a general overview of the livelihoods situation for both communities. Specific information per camp or per location is available in the individual reports.

Livelihood Activities: Employment and business

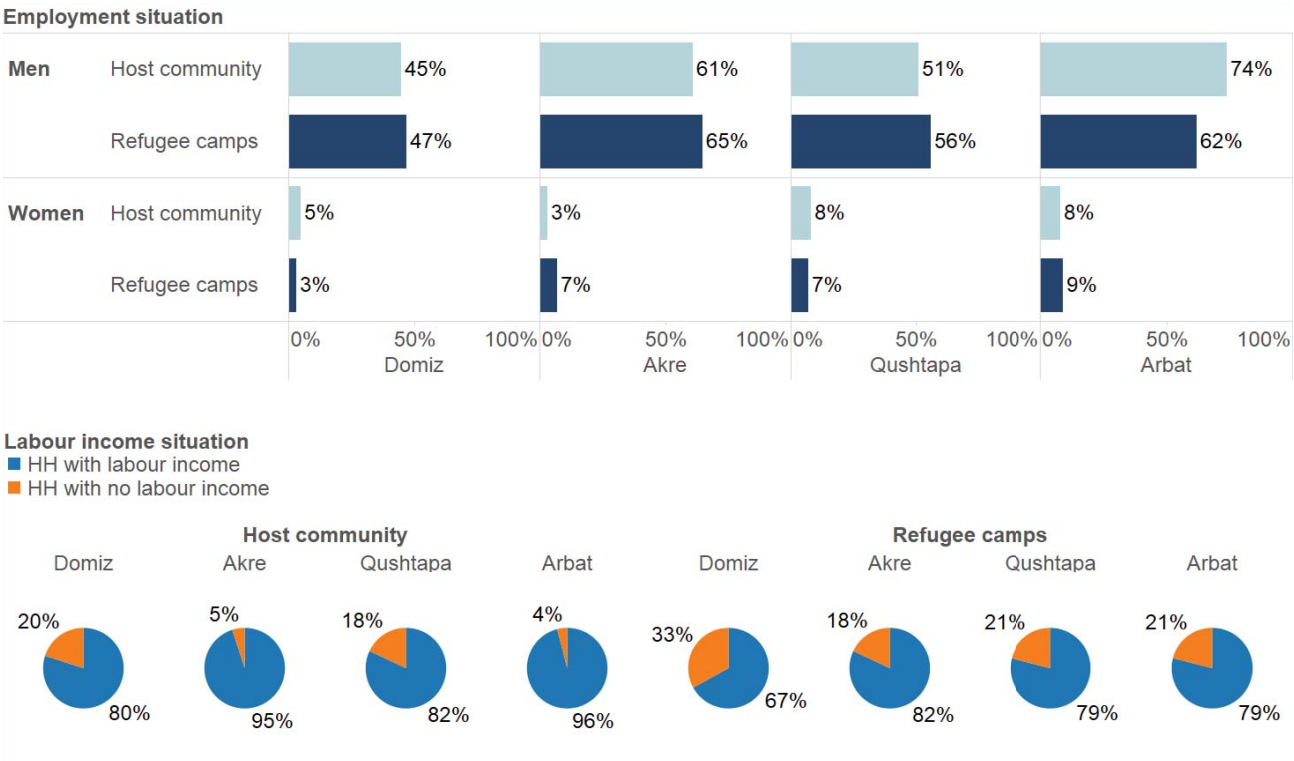
- *Labour force participation and unemployment rates*. The KRI is currently under a severe economic slowdown stemming from the conflict in the rest of Iraq and the government's fiscal crisis. This strongly determines the capacity to generate employment and labour market stability. A policy of free movement in and out of the camps and the facilitation of work permits allows refugees to freely pursue employment opportunities. This has led to similar rates of participation in the labour force for both refugees and host community. 32% of the population between the age of 16 and 59 in both communities are employed[11]. Disaggregated by gender, 57% of the male population and 6% of the female population are employed. Rates are within the same margin as at the end of 2014. Unemployment and under-employment, on the contrary, have risen as compared to previous assessments. This affects the refugee community more than the host community, and it is especially spread among women willing to work. Differences between both communities are also significant in terms of the percentage of households without labour income[12]. While between 4% and 20% of the households in the host community have no labour income, this situation is present in between 18% and 33% of the refugee households, depending on the location. In addition, 100% of the

A policy of free movement in and out of the camps and the facilitation of work permits allows refugees to freely pursue employment opportunities.

11 The remaining 68% is either economically inactive (i.e. not seeking employment or not willing to work) or unemployed.

12 It has to be noted that having no labour income does not mean having no income at all. Many families (both in the host community and refugees) obtain capital income from their assets, such as renting properties.

Figure 2. Employment rates among adult population and households with no labour income

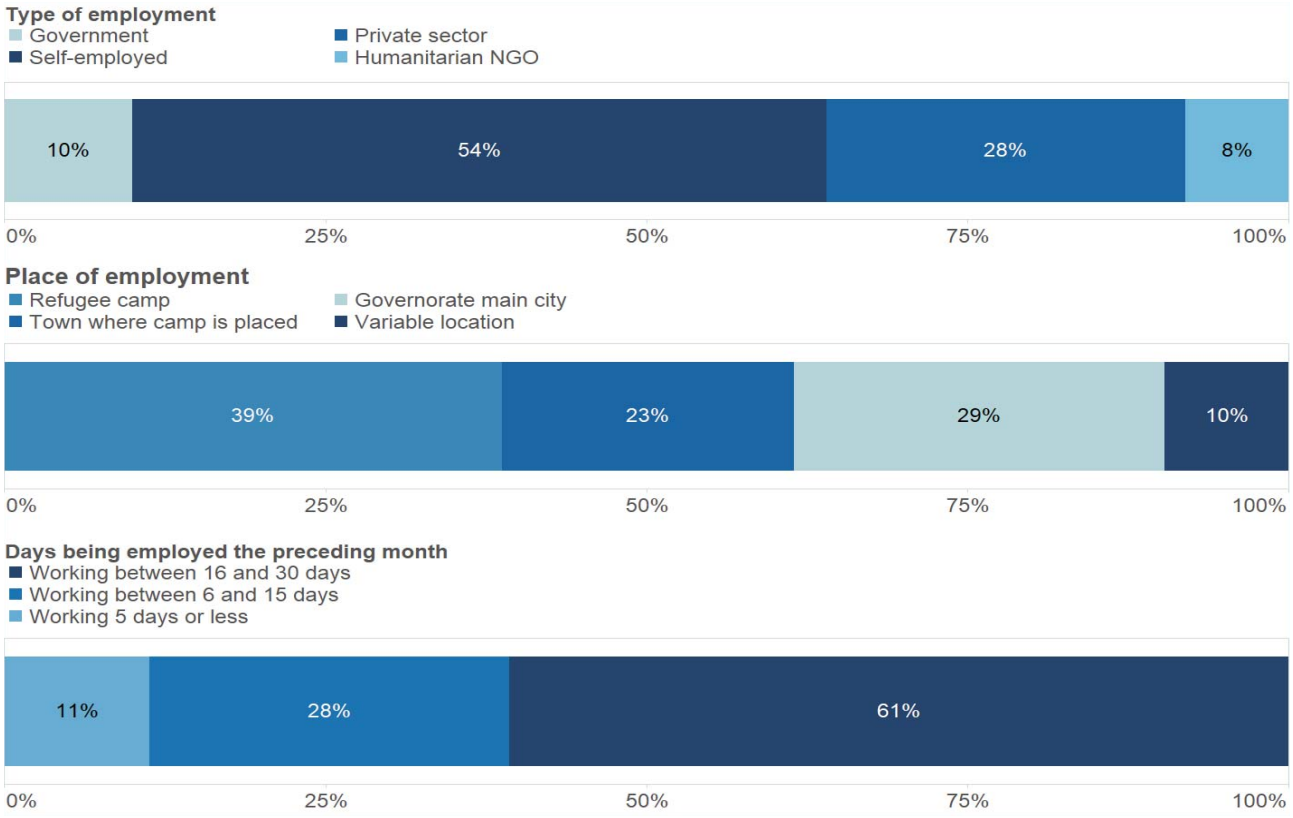


households in all camps with a disabled person reported that none of the members is employed. Both employment rates and households with no labour income are shown in Figure 2.

- *Job composition for host community and refugees*. In the host community, slightly more than half of the employment is generated by the government (except in the area of Arbat), while the rest are mainly self-employed. It is relevant to note that employment in the private sector is not wide spread, pointing to structural flaws of the region's economy. Most of the employment is in the same town where respondents live and only a minority reported not working full time. The situation, in terms of type and quality of jobs, is significantly different for refugees, which is summarised in Figure 3. Around half of the population is self-employed in either their own business or in selling their skills on a daily basis (e.g. daily contractors in construction). The second most cited employment is in the private sector. The most common place of employment is in Kurdistan's largest cities, followed by the camps themselves, with people working in different locations where jobs are available. Short-term jobs are also more common among refugees.

- *Labour market constraints.* The major concern for refugees, as well as for the host community members, is that there has been a significant increase in competition for the available job positions. This

Figure 3. Profile of the employment for in-camp refugees in terms of type, place and duration



is especially the case in the camps in the Duhok and Erbil Governorates, in which the highest number of IDPs and refugees are sheltered. Distance to job locations and discrimination against refugees were were found to be minor factors[13]. Other key issues raised in previous assessments and in focus group discussions refer to the particular dynamics of local employment in the region: 'word of mouth' or informal networks are frequently used to hire workers. Syrian refugees are mostly de-linked from these networks and are usually unaware of the employment circuits. Lack of familiarity with the environment also meant for some refugees that they were not guaranteed payment when engaging in temporary work. In addition, qualifications from Syria are sometimes not acknowledged by the employers and it delays the employability of skilled Syrian refugees. Finally, employment in camps (with NGOs or in setting businesses) was also perceived as full of obstacles as there was a general perception that favouritism and informal networks played a big role.

- *Business development by refugee and host community*. The proportion of house-

13 Although the feeling of being discriminated when accessing the labour market was not flagged by many households, it was found that the respondents that have resided longer in the camp are more likely to answer that there is discrimination.

holds in refugee camps that have set up or own a business is found to be lower than within the host community, with only between 13% and 30% of households reporting to have a business. However, the most important difference is the employment that each business is able to generate. Currently the average number of workers per business in the host community is 1.8, with just half of them being members of the owner's family. On the other hand, refugee businesses in camps only employ 0.7 persons on average, virtually all family members. The capacity to generate employment in camps is rather limited as the camp is currently a very closed economy. Also, in some cases, they suffer from excessive internal competition due to the proliferation of businesses under the support of NGOs without consideration of their viability. In addition, lack of access to capital was reported to be a relevant obstacle by near half of the business owners, far beyond other types of concerns. Another major obstacle was the refugees' inability to run a business outside of the camp. Due to their lack of citizenship, refugees are not entitled to own land or fixed property, neither to register businesses in their own names outside the camps. Some cases exist where refugees have partnered with host community individuals to initiate a private activity, but this requires strong levels of trust as the refugee is legally completely unprotected in case of any dispute.

Refugee businesses in camps employ 0.7 people on average, virtually all family members, and the capacity to generate employment in camps is rather limited.

- *Income generation*. Overall, significant differences persist between the average

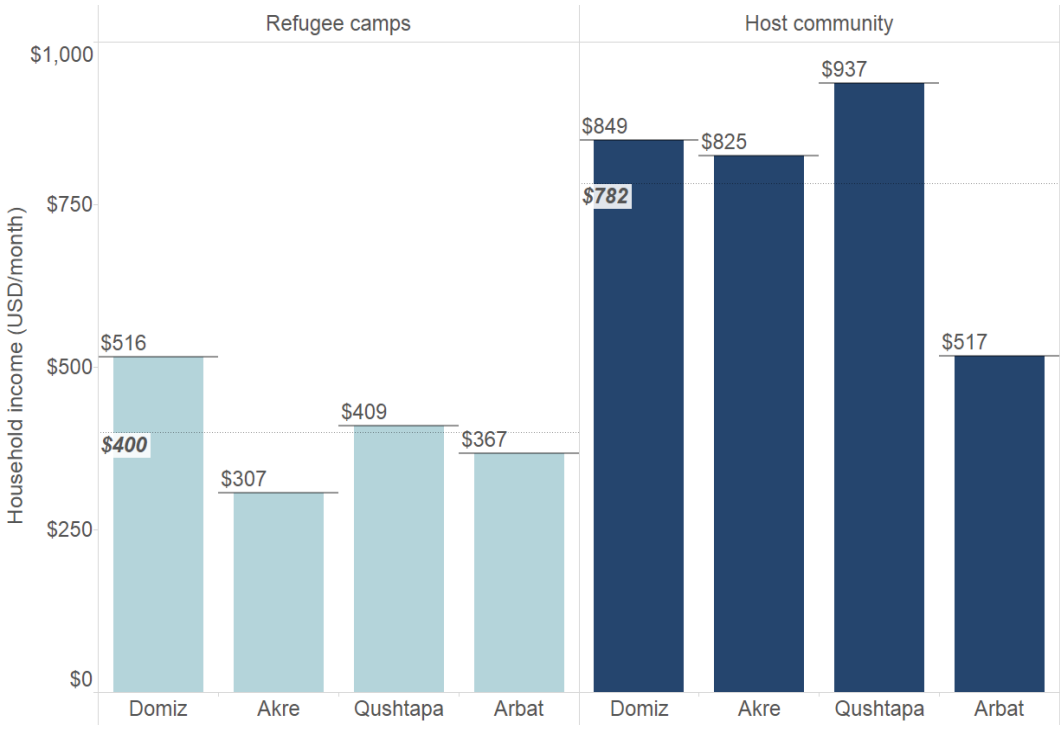


Figure 4. Comparison of household monthly income between host community and refugees

household income in refugee camps and in the host community, as seen in Figure 4. The lower average income for refugees (calculated for households with at least one member working) can be explained by different factors. First, refugees mostly work in unskilled positions in spite of their frequently higher skills or qualifications. Skilled positions are scarcer and mostly entrusted to local workers. Second, the work available for refugees is frequently temporary and, as seen above, a significant proportion of refugees is not able to work full time. Finally, on average refugee households have less members employed, than host community households. It is much less frequent to find families in the refugee camps with two or more members working, attributable to a smaller household size and a higher ratio of dependent household members.

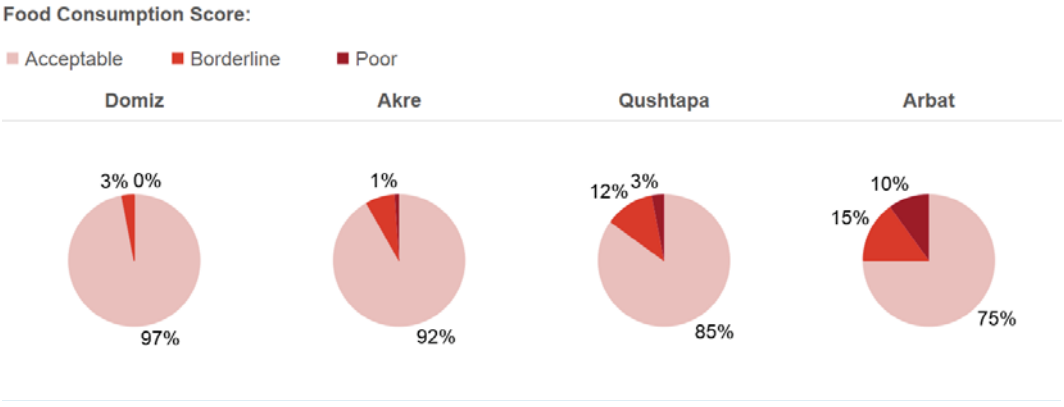
Livelihood Activities: Food Procurement

- *Food security*. Using the food consumption score to assess household food security[14], the data suggests that a large majority of families had an acceptable score, as shown in Figure 5. The Arbat camp shows a significantly worse situation than the rest of the camps. However, this data from December 2014 is previous to some changes in the value of vouchers and food aid distribution. A more recent assessment done by WFP[15] on food security of in-camp refugees integrated the food consumption score with other indicators such as livelihood-based coping strategies and food expenditure share over total expenditure. Its results showed that only 1% of the households were food insecure based on this definition. However, more households (64%) were found to be just marginally food secure than fully food secure (35%). Hence, pockets of food insecurity could potentially be developed. Overall, this points to a similar situation as compared with the surrounding host community, in which 1% of the households were estimated to

14 The food consumption score is a composite score based on dietary diversity, food frequency, and the relative nutritional importance of different food groups. For the MENA region, WFP interprets a score of 28 or under to indicate a poor consumption profile; a score from 28 through 42 to be borderline; and a score above 42 to be acceptable.

15 WFP "Food security and vulnerability assessment of Syrian refugees", May-June 2015. Due to its novelty, this assessment was not considered in the previous project reports.

Figure 5: Distribution of households per food consumption score in the refugee camps



fall below the acceptable threshold for food consumption. In addition, comparing absolute numbers of the food consumption score shows that differences are also minimal: while the average score for in-camp Syrian refugees is at 85.9, the score for the host community is at 91.5 on average.

- *Food sources*. External assistance is a key element on the food procurement system for both the host community and Syrian refugee households, as there is a significant proportion of families depending on it. For the host community, a bit more than half of the consumption of basic food items is provided by the Iraqi Public Distribution System, a monthly procurement system in which all families are entitled to basic food items. This system is still reported to be the main source of food for 30% of the families. For the Syrian community, the dependency link is relatively higher especially in those camps operating with food vouchers. In spite of being in camps with high employment rates and with a developed system of informal shops, a majority of households reported that the World Food Programme voucher shops were their primary source of food[16]. In those camps still operating with food parcels, the main food source were the local shops as the parcels were not satisfying households' needs.

A majority of households reported that the World Food Programme voucher shops were their primary source of food .

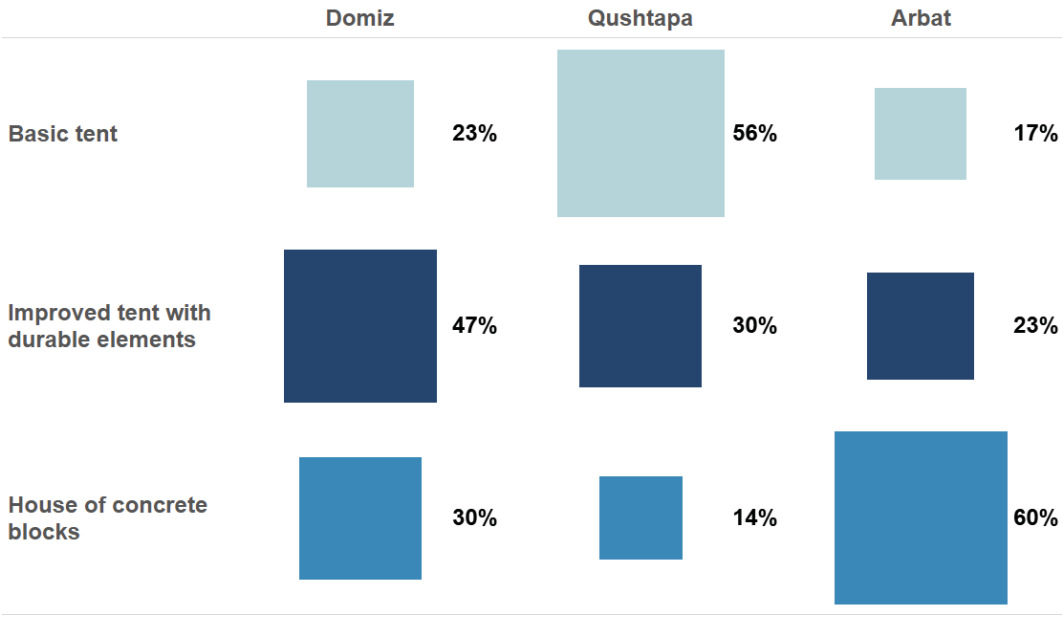
- *Frequency of procurement outside of the camp and perceived obstacles*. Apart from the food aid received by refugees, which is gradually being reduced, it is important to know whether the camps are able to satisfy the food needs of the population and whether there are obstacles to procuring goods elsewhere. The vast majority of households in the Domiz camp, the largest one, procure all their food (excluding aid) from the shops within the camp. For the other camps, a majority of people tend to go to the host community to buy food. It has to be noted that households with a disabled member are significantly more likely to never or rarely leave the camp to acquire food. Respondents were generally satisfied with the food quantity and quality in the in-camp shops. Those not satisfied largely pointed to issues with food quality, as most shops lack adequate refrigeration. In addition, some respondents indicated that high prices made interaction difficult with host community markets. Interestingly, not feeling welcomed was not flagged in general as an important concern neither by men or women.

Assets: Physical Capital

- *Housing and ownership*. Many refugee households have been able to afford building a durable structure in the camps. However, there are significant differences in the shelter condition both within camps and between camps, as shown in Figure 6. Differences in shelter are attributable to two factors. First, affordability issues, as structures are paid for by the refugees themselves according to their resources. The housing type is significantly correlated with different measures of household vulnerability, i.e. those more vulnerable are more likely to live in tents. On the contrary, families reporting access to credit are more likely

16 This data, however, would be subject to change as the value of vouchers decreased after the original assessment was done.

Figure 6. Type of housing structure in refugee camps



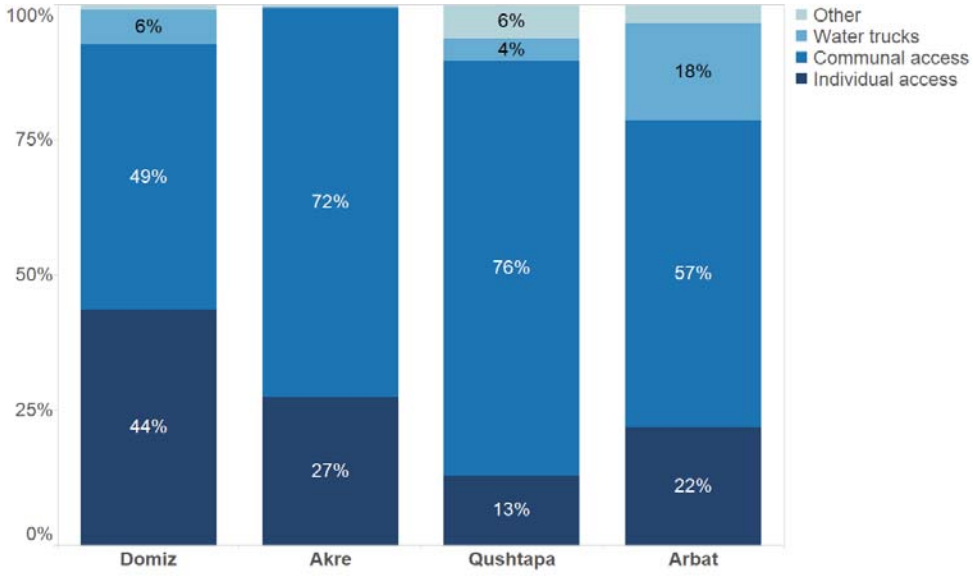
to live in durable houses. The second factor refers to policy constraints. Construction constraints have been increasingly imposed in all camps to different degrees[17], limiting, for instance, the amount of durable building materials that can be used in camps. The official rationale is to avoid issues with the limited space in camps but it is likely that the authorities are concerned that this could lead to a perception that the refugees are here to stay. Ownership is also an issue: although the families spend personal financial resources on housing, they cannot claim ownership. In addition, the camps are frequently set up on private land for which the governorates pay a rent or compensation on behalf of the refugees. Finally, if compared to their immediate host community, only a very small fraction of the families live in vulnerable dwellings.

- *Asset ownership*. Information on the wealth in refugee households could not be gathered during this assessment and so could not be compared with the host community. Only in Domiz camp there was evidence that families are able to start building an asset base as a significant part of their expenses are allocated to household assets. Evidence for the host community suggests that more than half of the households around the refugee camps belong to the lowest wealth quintile for Iraq.

- *Infrastructure access*. Large differences remain in the water supply system, where households in refugee camps are still not endowed with individual household access to water (Figure 7). There is a need of further investment to equate with the host community, where nearly 90% of the households have individual

17 In Arbat camp, the construction of durable houses were completely prohibited by the governorate since the early months of 2015.

Figure 7. Primary household water source in refugee camps

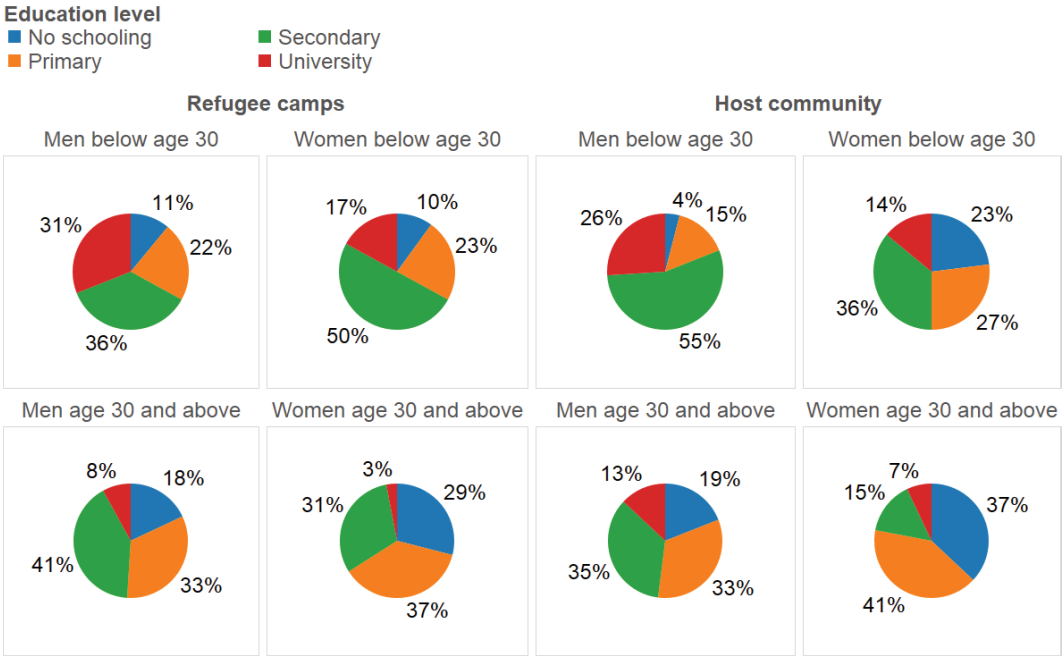


household access to water. Limitations in water access were pointed out in the focus groups as a major issue, as they are also a source of dispute between neighbours. The availability of latrines is also relatively limited in some camps, with investments still required, especially in Domiz camp. For wastewater disposal, the infrastructure system is underdeveloped, in line with the rest of the region, except for the existence of some raw canalisations. Regarding electricity access, all camps and tents are connected to the national grid. Hence, access is widespread although caps on the power capacity apply, with the exception of Akre camp. The final infrastructure element to consider is roads in camps, for which no paved road exists inside camps —except in the Domiz, with its four main arteries paved. In addition, camps are currently connected to main roads.

Assets: Human Capital

- *Household size and composition.* Syrian households are, on average, slightly smaller than in the host community, ranging from 4.9 members in Arbat to 6.2 in Domiz. For the host community, size ranges from 5.4 members in the towns around Arbat to 7.8 in Akre. However, the age dependency ratio, measuring how many of the households members are either below the age of 16 or above 60, shows that there are more dependent members within the refugee community than in the host community. Hence, less household members are able to seek income generation. Female-headed families in refugee camps correspond to 12% of the total households on average, compared to 7% in the locations assessed within the host community.

Figure 8. Education levels disaggregated by population group and gender



- *Education levels*. The levels reported by the survey respondents are consistently similar across the camps. The major group is formed by respondents with secondary education level (38% on average), followed by primary level (31%), no formal schooling (19%) and, finally, university level (11%). There are significant differences by gender and age. A higher proportion of male respondents reported secondary levels and a higher proportion of female respondents reported no schooling at all. However, for the population below the age of 30, a third of the female respondents have university degree, compared to only 17% of the male population. Interestingly too, this distribution of education levels is very similar to the situation in the host community, as shownin Figure 8.

- *Skills availability and demand*. Information about skills was collected in order to understand the composition of the labour force in the refugee camps and what training would be best targeted for members of both refugee and host communities. On average, refugee households reported certain skills more frequently than host community households. The most cited skills in both communities are house fixing, retailing, construction and, in the case of the host community, IT. Regarding the skills sought for employment, households in the refugee camps tend to prefer skills related with vocational trades, such as electrical works, carpentry, hairdressing or craft-work. Host community households, on the contrary, sought skills more related to waged employment in already set-up businesses, such as IT, retailing, accounting or business administration. An important constraint for refugees regarding the applicability of skills, however, is that their official certificates (mainly from higher

On average, refugee households reported certain skills more frequently than host community households.

education) are usually not acknowledge in the KRI's labour market, as stated by many participants in the focus groups.

- *Health status*. Discussions with health sector leaders within the humanitarian community revealed that an individual living in a camp is more prone to suffer from medical conditions, especially due to bad preparedness for winter and to psychological issues — traumatic experiences due to conflict, frustration about the lack of opportunities, depressions, concerns for relatives, etc. This was further corroborated in the focus groups, where participants claimed that people's health condition overall have worsened in the camp in comparison to Syria. Especially old and disabled participants claimed that they could live better with their disabilities in Syria as they had access to better treatment and stimulation to maintain their health condition. In the female groups, deteriorating mental health was discussed, pointing to the fact that they had more freedom in their daily life in Syria which made them feel more empowered. They also referred to many children suffering from post-traumatic stress. In addition, it was apparent that problems occurred much more often between husbands and wives in the camps than before, so too the occurrence of intra-household and gender-based violence.

Only a minority of respondents to the survey reported perceptions of discrimination against refugees

Assets: Social and political capital

- *Rights equality*. The majority of Syrian refugees report to hold a temporary residency card. The percentage is above 90%. Possession of residency is a relatively important asset, as it is sometimes required to access more formal employment —although not necessary to engage in informal activities or to access public services within the KRI.

- *Social capital within and between communities*. In both refugee and host community, social bonds play a huge role. Although it is not always the first action, people turn to their respective community to receive support, either through direct help or through borrowing money. Social networks are also extremely relevant to obtain jobs. These situations act as a safety net within the community. Within the refugee camps, trust levels appear to be high in spite of lack of space and the need to share some resources. The time factor plays an important role, as families that have been residing in the camp for longer are more likely to show higher trust in neighbours[18]. Even 30% of the families, on average, reported to have lent money to other refugees, despite the economic hardship. Those respondents with higher trust levels are more likely to lend money to other families. Perceptions of an insecure environment within the camp are generally low but still relevant, as 7% of men and 11% of women reported to feel unsafe. Regarding relationship between refugees and the host community, thanks to the cultural proximity, trust levels were also regarded as high. Only a minority of respondents to the survey reported perceptions of discrimination against refugees, while very few focus group participants felt uncomfortable going outside the camp as they perceived the host community as too conservative.

18 No other socio-economic variable was found to be statistically significant to explain variations in trust levels.

- *Political capital in refugee camps and representative decision-making bodies.* All the refugee camps in the KRI have a body formed by camp residents that engage with camp management on organisational issues. Only in the case of the Arbat camp this body is directly elected by the camp population. In the rest of the camps, the body is appointed by the governorate authorities. When evaluating the perceptions of camp residents over these decision-making bodies and their effectiveness, relatively high numbers of households reported that they do not have any capacity to influence how things are organised in camps[19]. Similar issues are seen with the satisfaction with community representation, which tends to be relatively low. This may signal a gap between the expectations of the refugees and the camp management when establishing representation mechanisms. However, more important, the main desire expressed by refugees was not to gain more influence themselves, but to improve the system so that their needs are better acknowledge and that injustices in the camp system are tackled. It is impossible that the lack of a proactive participatory stance among the refugees might reflect their historical political experience which might have to be addressed as such. Many group participants complained about corruption and about the need to have wasta in order to get through, both when it comes to camp management and NGOs.

Assets: Financial Capital

- *Access to pensions, social security and public safety nets*. The only population group with this type of coverage is government employees. Those working in the private sector are not covered by any pension or social security system in KRI, as it is not mandatory. For the host community, 40% of the households have a family member covered through this system , thanks to working in the public sector. Other safety nets are operated by the KRG, mainly family and disability cash transfers, covering on average 20% of the households. None of these nets cover Syrian refugees.

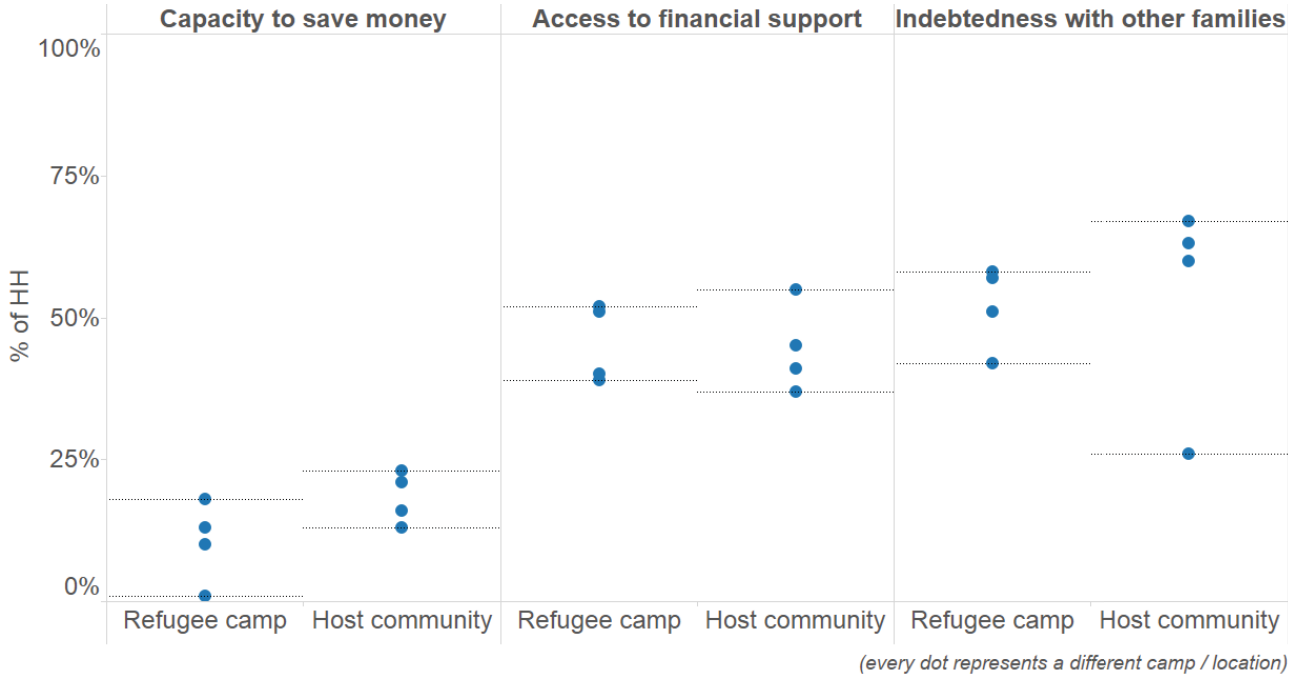
- *Capacity to save money and to maintain savings*. The percentage of Syrian households that said they have been able to save money during the preceding month for future expenses is quite low. For the host community, this percentage is higher but, in general it is, also low. Both ratios are plotted in Figure 9. This conveys the same message as other previous assessments, in which depletion of savings was highlighted as one of the biggest concerns. As expected, those households with higher education levels, a higher number of employed members and lower ratio of dependent family members are more likely to have the ability to save[20]. It is generally observed that many families in camps struggled to cover their current expenses with the income generated, as between 21% and 32% of the households (except the Arbat camp, where the percentage sharply rises to 72%) reported

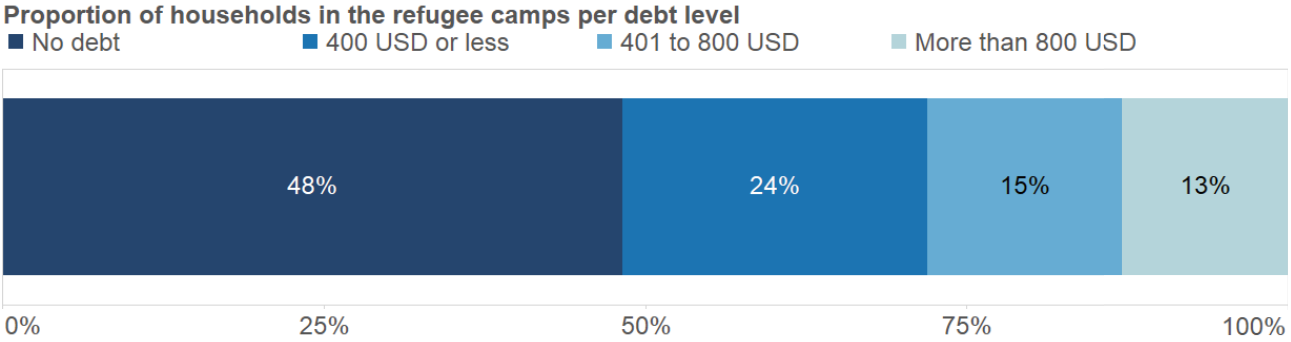
The percentage of Syrian households that said they have been able to save money is quite low.

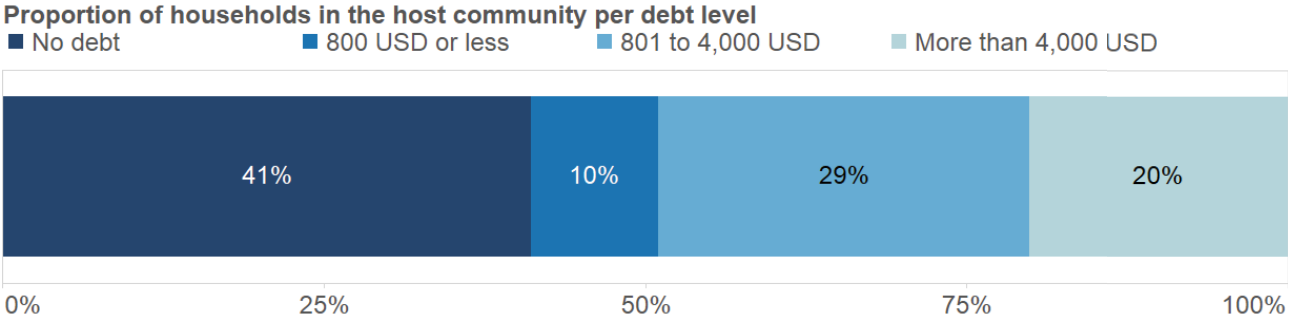
19 Further analysis suggests that the more months the family has been residing in the camp and the higher education level of the households, the less likely they are to state that they have no influence.

20 In addition, female-headed households within the host community are found to be less likely to have saved money. However, the relation is the inverse for refugees: female-headed households are more likely to be able to save money.

Figure 9. Financial situation of households in host community and refugee camps







higher monthly expenses than monthly incomes[21]. In addition, as access to financial capital in camps is mainly generated from within the same refugee community (see point below), the gradual depletion of savings also means that less and less families are able to loan money to other families in case of need.

- *Access to credit and debt levels*. The level of financial capital is also understood by assessing the financial situation of households during crisis. Refugees' access to financial capital under crisis conditions was compared to the situation of the host community in order to assess the extent to which the current economic slowdown is a determining variable. The first factor assessed was access to credit or financial support. Near half, on average, of the families in both camp and the host community reported to be able to borrow money from family or friends in case they needed it right away[22]. Overall, this still leaves a significant number of families vulnerable to sudden needs or unexpected expenses. The second factor is the level of indebtedness among families. More than 50% of households in both groups reported being in debt. The debt levels, however, are significantly different. Only 22% of the indebted Syrian households owe more than 1 million IQD (800 USD), compared to83% of the host community households. The average debt is 4,300 USD per household in the host community, 5 times more than for refugees. This difference is directly linked to the delays in the payment of public salaries. Both levels of access to credit and indebtedness are displayed in Figure 9 (next page).

- *Productive assets*. The possession of productive assets such as equipment for business or livestock is rather limited in camps. For instance, having livestock is constrained by the fact that the camp setting does not have a space for such activities. Families are neither allowed to use the surrounding lands for grazing as these are private property. In some camps, it was reported that there are small poultry pits established by some resident families, but these activities are causing problems with other families due to the nuisance created. Regarding general productive equipment (e.g. sewing machine), many participants in focus group complained that they do not receive help to acquire equipment in spite of completing vocational trainings given by NGOs.

Assets: Natural Capital

- *Land*. Natural capital in the form of land is possibly the asset base that has contracted the most for the in-camp refugees, as access to arable land and recreation areas are rather limited. Many of the refugees used to be farmers in Syria and would have liked opportunities in the agriculture sector, as expressed in the focus groups. However, there are several barriers. Mainly, refugees cannot buy and own

21 The same ratio for the host community indicates that between 15% and 20% of the families, depending on the location, reported that their current expenses exceeded the income they have (or that they should have providedthat public salaries are paid).

22 Money is usually borrowed from the closer social network and the use of money traders is marginal. Shop owners are also frequently giving goods, such as food, on credit. Focus group participants explained that they had better access to financial institutions in Syria, both formal and informal. Formal financial institutions in Iraq and KRI are extremely underdeveloped. In addition, there were also a few cases of participants in the groups receiving remittances from relatives in Europe.

land in the KRI, despite the fact that arable land is available. Renting land is not seen as an option due to concerns over economic feasibility. However, initiatives within the confines of the camp for small-scale farming are appearing, as some greenhouses are being developed in some areas. Some camps, such as Domiz, also have area suitable for farming but, for the moment, it has not been possible to find an implementing partner.

- *Environmental degradation*. Linked to the fact that wastewater management systems are underdeveloped in both camps and host community settings, some humanitarian partners reported that there is a significant degradation of the natural environment around the settlements. In many cases, this may affect the productivity of the arable lands. In addition, as water supplies are usually obtained from boreholes, this is adding pressure to the already declining water tables in most of the groundwater basins.

There are deep concerns over the lack of technical preparedness for the labour market of the young population between the ages of 15 to 20.

Public Services: Education

- *Service provision*. Basic and secondary education in camps are mainly provided through schools operated by Kurdistan's Ministry of Education, complemented in some cases by facilities run by international NGOs. The government provides for the curriculum as well as the necessary funding for running the facilities and for teachers, who are frequently Syrian refugees with the right skills. However, with the current budget restrictions for the KRG, salaries to teachers are not being paid and overall public functioning of the system is under question. In addition, most of the camps do not count with sufficient school facilities and teachers, hence school overcrowding is a wider issue than in the immediate rural host community — the average size of classes in the immediate towns around the camps ranges between 23 and 29 students, and the average size in the camps is around 32 students. In general, however, the education system in the KRI is under capacity stress as schools increasingly need to rely on multiple shifts to absorb all the school-aged population. This reduces the amount of instructional time that students receive. There has been historical underinvestment in the sector and, hence, education of refugees in the host community system, although allowed, does not provide a real alternative for camp schools. The issue becomes critical regarding secondary education, as none of the camp settings was seen to provide sufficient opportunities to develop skills beyond basic education. A discussion with education sector partners revealed deep concerns over the lack of technical preparedness for the labour market of the young population between the ages of 15 to 20.

- *Coverage and use*. Net enrolment rates for basic education fall slightly below 80%, on average, in the camps —while rates are above 90% for the host community. Due to the restrictions in secondary education provision mentioned above[23], the enrolment rates are significantly lower, as expected. Attendance rate for boys is below 30% in the camps and, for girls, it falls

23 It has to be noted, in addition, that the three years of secondary education are optional.

slightly below 40% on average[24]. Non-attendance at secondary school is mainly linked to economic reasons, as was highlighted in the focus groups. These reasons include the need of the kids to work (mainly for boys) as well as the lack of funds for school materials. Some families mentioned that, in order to attend schools out of the camp there were bureaucratic procedures which were described as long and difficult. Finally, for girls, early marriage was a relevant cited reason for not enrolling in secondary education.

Public Services: Health

- *Service provision*. The KRG provides a basic level of care to all residents in Kurdistan, including the refugees. The provision of health care in camps is a mix of services managed by the Governorates' department of health and services managed by the humanitarian community. Health personnel includes in-camp skilled professionals, employed by either a humanitarian partner or the governorate. Facilities are temporal, not durable, but it is not seen as a grave obstacle for a quality service provision. The standards of the service in camps are relatively higher than in the host community due to higher requirements of international humanitarian standards. However, focus group discussions also highlighted some complaints on the service provision, specifically in terms of lack of good and specialised doctors and their availability — a problem extended to the facilities in the host community too. In addition, Syrian refugees have free access to health care in the KRI's medical facilities outside the camps, where patients assume some fees for medicines as a standard co-payment. The service provision within the host community, however, still lags behind its regional peers in terms of investment per capita and number of physicians per patient. In addition, the private sector is rapidly expanding, although without regulatory guidance or a strategic investment process. This is of concern as most of the physicians in the public sector tend to devote more time working in private sector clinics.

- *Coverage and use*. Every camp has, as a minimum, a small medical post and a primary health centre. In some cases, like in Akre, this may create issues with duplication of services with the host community. The proportion of refugees that require health treatment is significantly higher than the host community members — available data suggest that 9% and 4% of refugee and host community households, respectively, sought treatment the preceding month. Of these refugee households, roughly half of them attended the health facilities within the host community, while only 25% attended the NGO clinics in the camps. The other 25% went to a private health provider. Hence, most of the health care provision for Syrian refugees takes place outside of the camps.

Public Services: Municipal Services

- *Provision of water service*. The investment and operation of the water supply system is being assumed by the humanitar-

24 The data available only provides information on net enrolment —it could well be that gross enrolment is higher as individuals beyond the age of 17 are attending secondary schools.

ian partners, although the govenorates are gradually willing to assume responsibility and participate in the technical design and provision of the service. The network is not usually connected to the network of the closest municipality (except in the Akre camp), but relies on supply from close boreholes. Available data points to some households (between 2% and 21%, depending on the camp) reporting water shortages at least for 7 days during the last 30 days, in spite of the water system being planned to provide around 100 litres per day per person. Also issues with the quality of water are present in many camps. Reliability of the service is higher in the host community, as only a minority of households reported to experience problems. Water service in the camps is provided for free, while in the host community a small fee applies, which was estimated as covering only 4% of the total costs of providing the service.

Respondents in the refugee camps reported that they would be willing to contribute financially to the service provision at the same expense levels as for the host community.

- *Provision of electricity service*. As the refugee camps are connected to the national power grid, the actual availability of electricity is dependent upon the proper functioning of the power system of the region, which is not able to support a 24-hours supply. Electricity peak demands had reached maximum during 2014 in all governorates, due to the influx of IDP families in Kurdistan. The service in camps is provided for free to families, although some of the businesses are charged. Some households also acquired small generators as a substitute during power cuts.

- *Provision of solid waste management*. All camps are provided with solid waste collection, as part of an extension of the service provided in the near municipalities. These services are outsourced to a private provider. The funding is not assumed by the local governments or camp management, but directly by the humanitarian partners. However, there are environmental concerns at the disposal end of the service, which involves mainly dump sites in the open air, for which capacity was already constrained.

- *Funding of the services*. The municipal services in the camps are provided for free, while the host community households pay, on average, around 70 USD / month, as found in the survey. However, a significant amount of respondents in the refugee camps reported that they would be willing to contribute financially to the service provision (water and electricity and, much less supportive, land rental), at the same expense levels as for the host community. The camp that flags out is Domiz, in which a wide majority of households would agree to pay for the services. Some factors that affect the willingness to pay are the education level of the respondents, the capacity to save money or having loaned money to other refugees, all positively correlated. Households unsatisfied with community representation are also significantly more likely to pay for services. No correlation was found with vulnerability measures.

5.2. Opportunities and constraints for building resilience

In Section 4, under general and specific resilience, we referred to some of the challenges and opportunities for building general resil-

ience in the KRI. In this section we focus on the opportunities and constraints for building resilience in the specific case of the Syrian refugees in camps in the KRI using our framework of human resilience (livelihoods components in areas such as employment, business, assets, capabilities, coping strategies and policies / governance) and institutional resilience (service provision in areas of education, health, WASH, electricity, and security). This opportunities and constraints analysis will help define which interventions might be feasible and which not, in order to develop the RBDR.

5.2.1. Employment / Business

Opportunities

- Refugees are currently given temporary resident permits which allows them to obtain work permits and to freely seek employment in the KRI.
- Our assessment shows good availability of temporary wage labour which helps refugees meet their livelihoods requirements.

Table 4: Assets: Opportunities and Constraints Analysis

ASSETS	OPPORTUNITIES	CONSTRAINTS
Human Capital	Both the HC and the refugees have relatively good education levels with the refugees slightly better.	Significant gaps in education at all levels persist and there are marked gender disparities. Refugee certificates not always recognized.
Social and Political Capital	Cultural proximity and sociocultural similarities have resulted in relatively high trust levels between and within HCs and refugees.	There is still a perception of "us and them" which makes some refugees feel less than welcome among the HC. There is lack of participatory governance in both communities at the moment – but potential opportunity exists.
Physical Capital	A significant proportion of refugees in some camps have durable houses. Hopefully this can become more widespread if policy constraints are removed and affordability improves.	For some camps the governorate responsible has imposed a policy of no further construction of durable houses (for fear of encouraging refugees to want to stay permanently. Transportation costs can be quite high in travelling to work.

Table 4: Continued

ASSETS	OPPORTUNITIES	CONSTRAINTS
Natural Capital	Arable land exists. There might be scope to make agriculture / horticulture more attractive. Opportunities might also include a holistic approach to agro-processing at village scale or facilities linked to aquaculture options.	Refugees cannot own land legally. HC ownership of land is only at 21%. Neither HC not refugees show a strong inclination to agriculture and the sector suffers from policy barriers that decrease its feasibility.
Financial Capital	Availability of informal capital from friends and relatives. There could be an opportunity here to begin embryonic forms of a financial services industry.	Lack of access to formal credit and savings facilities.
Capabilities	General desire for improvement of life chances and to integrate (e.g. by contributing financially to service provision). Willingness to work.	Skills do not always match labour market demands.

- Refugees are free to open businesses within camps and may also do so outside in partnership with an Iraqi citizen.

Constraints

- Over all labour demands have declined with the economic down turn resulting from the fiscal crisis in the KRI. Further the full refugees skills set does not always match the labour market needs.

- The small camp populations limit the number of businesses that can be run successfully in camps. At the same time refugees have no legal right of registering business in their own name outside camps. The depressed economic situation of KRI has also reduced private sector viability.

- There is no formal access to capital due to the absence of a developed financial services industry. The whole of Iraq suffers from a historical lack of trust in the banking system. However at least half of the population has access to and uses informal capital from friends and relatives,

Table 5: Service Provision: Opportunities and Constraints Analysis

SERVICE PROVISION	OPPORTUNITIES	CONSTRAINTS
Education	Sound primary education system.	Secondary education must be usually attended within the HC but the capacity of the system is significantly overstretched due to historical under-investment.
Health	Primary health care available in all camps.	Lack of access to special care due to affordability and distance
WASH	Possibility to improve water access.	Inability of municipality / governorate to manage waste in some camps.
Electricity (Quantity / Cost)	Electricity connection generally available and should be a positive for business development and delivery of other services.	Insufficient infrastructure or generation capacity, especially for peak periods, that impedes a 24-hour supply.
Protection and Security	Security system in camps well respected and valued and is provided by camp management.	Inadequate property, business and labour rights for both refugees and HC.

Photo: M. Chatziantoniou, EU/ECHO, April 2013

etc. See also labour market constraints analysis in the previous section.

5.2.2. Households' asset base

A discussion of the opportunities and constraints for each of the asset base components of refugee households is provided below in Table 4.

5.2.3. Service provision in refugee camps

A discussion of the opportunities and constraints in the provision of the different public services in refugee camps is provided below in Table 5.

5.2.4. Coping Strategies

Opportunities

- Savings during times of employment.
- Cutting food expenses by reducing the number of meals or quality of food in a way that it does not affect physical health.
- Taking loans from relatives and friends and paying back.
- Taking credit to invest in small business.

Constraints / Challenges

- Sending young male family members to work instead of attending school.
- Cutting food expenses by reducing the number of meals or quality of food to such an extent that it affects physical health.
- Drinking contaminated water because they cannot afford buying clean water or water filters.
- Selling protective household and personal possessions such as blankets or medicines.
- Early marriages to lessen the family's financial burden.
- Switching to high risk or degrading jobs.
- Buying food and household supplies on credit to an extent that no more credit is granted.
- Taking loans from relatives and friends without being able to pay back.
- Illegal activities such as prostitution.

5.2.5. Policies[25]

Opportunities and supportive policies

- The policy to provide residency and work permits to refugees enables refugees to seek employment opportunities outside camps.
- Freedom to move within and outside camps.
- The KRG's policies on refugee access to security services, health, water, waste disposal and electricity are also quite supportive of the refugees.

25 Refer to a more extensive analysis of policy barriers for resilience and economic growth in Kurdistan that is included in the Desk Review of this study.

Photo: Caroline Gluck, EU/ECHO, October 2014.

Constraints

- Restrictions on improved and durable shelters in most of the camps.
- Lack of a clear policy on how permissions are to be granted for starting businesses in camps.
- Lack of participation in decision-making in camp management.
- Right to own land and property. Refugees are not entitled to own land or property.
- Right to set up businesses. Refugees cannot start businesses outside the camp unless they partner with a citizen that can register the business in his/her name.
- Work permits. Obtaining a work permit requires a lengthy bureaucratic process which differs from governorate to governorate and even on a case to case basis.
- Evaluation of certificates. University degrees and other types of certificates are not always possible to evaluate in the KRI.

6. Recommendations

The previous livelihood baseline is now used to develop recommendations for the RBDR in the four camps assessed and its neighbouring host community. First, the baseline is used to establish minimum living standards and further to propose resilient living standards.

Subsequently, we propose a strategic approach to RBDR that will contribute to bringing current livelihood indicators towards the proposed targets or standards. This approach is discussed as follows: (i) project strategy and key principles to follow, and (ii) RBDR program funding discussion.

6.1. Recommended Living Standards

In this section, the RBDR options are developed in 2 steps: first, by establishing a Minimum Living Standards Line (MLSL) and, second, by proposing a Resilient Living Standards Line (RLSL). Activities and livelihood interventions are then suggested on how to drive the population groups to the proposed resilience targets.

Minimum Living Standards Line (MLSL)

It is proposed that the MLSL be established on the better performing indicator of either the host community or the refugees. So, for instance, if unemployment rates are lower among host community we will take that figure to the rate on the MLSL. Similarly if household incomes are higher among either host community or refugees we will take this higher figure to be on the MLSL. Here we will use ranges to do some indicative costings. However it is to be noted that there might be wide variations between individual camps and their surrounding host community, so individual calculations should be done for each camp and its host community when designing action programs.

It will be seen that the MLSL is a multidimensional approach that uses many of the indicators used in the Multidimensional Poverty Index (MPI) which is currently used in the calculation of the Human Development Index. The MLSL however includes many of the so called missing dimensions of the MPI[26] such as nature of employment, physical safety, and self-empowerment, social connectedness which are critical factors in the refugee or crisis context. Further, the concept of assets is now much broader than the limited set of household appliances used to measure assets in the MPI.

The overall approach of the MLSL is to focus on how to build on assets and foster resilience rather than to measure deprivation. The reasons for which we have opted to use the higher performing indicator of the two communities are: (i) both the majority of the host community and the refugees are under the poverty line or near to being there and the MLSL should aim to keep people out of poverty, (ii) in this context it is not likely to be acceptable to seek to reduce the quality of life in a given indicator, (iii) this approach is more consistent with building on strengths and assets rather than seeking to remove depriva-

26 Oxford Poverty and Human Development Initiative (OPHI). Missing Dimensions of Poverty,, available at: www.ophi..org.uk/research/missing-dimensions

tions (as is more conventional), and (iv) it is important to seek equity in both communities.

The complete estimation of the MLSL is provided in Table 6. We compare the range of indicators for both communities and we suggest the magnitude of variation in the indicator required for one of the communities to match the other (if a variation is deemed necessary). For instance, we observe that unemployment is far more persistent within the refugee camps (42% on average) than in the host community (20% on average); we hence propose that the unemployment target of the MSLS be 25% for refugees (using the average figure among the two communities) or, in other words, we need to put forward actions to cut by half current unemployment rates of refugees. The other indicators are estimated in a similar pattern.

The Resilience Living Standards Line (RLSL)

This was estimated to be 30% higher than the MLSL. It was estimated using field observations as to how much of a margin would be required to assure many will not fall below the MLSL. Obviously, one can imagine a much higher figure but this would have to be balanced against affordability. So 30 % was taken as a compromise figure which with experience can be adjusted upwards or downwards. This is consistent with the adaptive and evo-

Table 6: Determining the minimum living standards and the resilience living standards line

Elements	Host Community Average (existing)	Refugee Average (existing)	Proposed MSLS target	Gap to be filled to meet MLSL	RLSL Targets 30% better
Total HH income (USD / month)	[$520 - $850 per month]	[$300 - $510 per month]	$650 per month	Need to nearly double current refugee HH monthly income	Approx. $850 per month
% of people employed	[27% - 42%]	[27% - 37%]	35%	No action	-
% of employed people working in skilled positions	[22% - 43%]	[14% - 40%]	30%	Need to improve access to skilled employment for refugees	-
% people looking for work without success	[18% - 31%]	[31% - 47%]	25%	Need to cut by half current unemployment rates of refugees	Approx. 12%

Table 6: Continued

Elements	Host Community Average (existing)	Refugee Average (existing)	Proposed MSLS target	Gap to be filled to meet MLSL	RLSL Targets 30% better
% HH without labour income	[4% - 20%]	[18% - 33%]	12%	Need to cut by half current level of refugees and some HC locations	Approx. 8%
Rate of business ownership	[18% - 50%]	[13% - 30%]	30%	Need to slightly raise business development in camps	Approx. 44%
Number of employees per business	[1.2-2.7]	[0.5-0.8]	2	Need to double employment generated	Up to 3
Food Consumption Score	~1%	[0% - 10%]	1%	Need to eliminate food insecurity	-
Food as % of total HH expenses	Approx. 60%	Approx. 70%	60%	Need to slightly reduce refugee levels	Approx. 40%
Physical asset: % population with durable house	~100%	[14% - 60%]	80%	Need to increase levels by more than the double	100%
Natural capital: % population who own land	[11%-31%]	0%	20%	Need to promote ownership / renting of land by refugees	Approx. 30%
Financial capital: % population with ability to save	[13% - 23%]	[1% - 18%]	18%	Need to expand savings capacity by double	Approx. 30%

Table 6: Continued

Elements	Host Community Average (existing)	Refugee Average (existing)	Proposed MSLS target	Gap to be filled to meet MLSL	RLSL Targets 30% better
Human capital: % population below age of 30 with secondary degree	40%	39%	40%	No action	50%
Human capital: % population below age of 30 with no formal schooling	11%%	12%	11%	No action	6%
Human capital: % women participation in labour force	[3% - 8%]	[3% - 9%]	9%	No action	12%
Education: net enrollment (%) in primary and secondary	95% 85%	30% 80%	95% 85%	Raise capacity of secondary education both for refugees and HC	-
Health: % population with a health care facility in 20 min drive	66%	100%	~100%	Increase number of PHCs in HC	-
Water: % population with individual HH connection	[55%-98%]	[10%-45%]	80%	Need to double the connections in camps	-
Solid waste collection: % HH with service	[57%-97%]	100%	100%	Need to promote better service within the HC	-
Electricity: % HH with access	~99%	~99%	~99%	No Action	-

lutionary approach recommended in this report in which a target figure for the RLSL is estimated based on what seems to be needed to help communities cope with and recover from shocks and stresses as is currently perceived. Adjustments in these targets can then be made as circumstances change. A more theoretically rigorous estimation is unlikely to be possible or helpful in situations of such great uncertainty.

6.2. Strategic approach to a Resilience-Based Development Response

The goal of this section is to determine what interventions can help build a more self-sustaining system. As we defined it, the system must allow the refugees and their nearby host communities (i) to have and maintain a decent life, (ii) to cope with and recover from current and future shocks and stresses and (iii) to allow transformation and innovation so that the refugees and host communities are better able to deal with future shocks. A two-pronged approach is used, seeking to build human resilience on the one hand and institutional resilience on the other.

At this point, it is important to contrast the two response options available, one based in a business-as-usual aid provision and another shifting towards a more development oriented response. Based on the assessments conducted, they compare as follows:

- **Option 0: business-as-usual scenario, i.e. doing nothing different and keeping current aid provision until funds run out.** NGOs and UN agencies maintain the ad hoc aid and keep on assuming most of the responsibilities within the camp, with a gradual pull out as funding decreases. Refugees keep interacting with the labour market under the same unequal conditions. The long term outcome is likely to be similar to those refugee camps that were set up in the KRI a decade ago (namely, the camps of Kawa, Barika and Makhmur), now converted into informal settlements. It can be argued that, even if the KRI fiscal crisis is resolved and the economy revives, the outcome is unlikely to be much better, as these settlements have evolved through economic boom periods as well as challenging ones. Hence, the outcomes of this scenario are not desirable.

Key features of these now-informal camps are extensively discussed in the Desk Review and summarised here. The camp settlements where displaced Iranian and Turkish Kurds live can serve as an indicator of the extent to which refugees have managed to become self-reliant after more than a decade. In particular:

– Differences in legal status affect access to sustainable livelihoods. Refugees mostly take casual jobs, run their own small businesses or are employed on short-term contracts in the public sector. Secure sources of income are therefore not common amongst the refugees and keep many in poverty. Although access to education is free of charge many families cannot afford to have their children in school. Almost half of the children of secondary school age work to support their families.

– Limited mobility and restricted ownership rights. Holding a KRG ID-card, refugees can move freely within the region but not travel to the rest of the country, let alone abroad. Refugees can not buy

property unless they can register in the name of an Iraqi citizen.

– Poor development of infrastructure. A decade later Barika camp suffers from bad infrastructure with houses that have had little maintenance since they were built in 2004 and roads in the camp are not paved. The camp lacks a health center and apart from a primary school, no new school facilities have been built.

– Isolation rather than integration. Makhmur, which is a gated settlement, runs its own schools, small businesses and shops, but lacks proper health care facilities. Although children can access education outside the camp only a handful have entered university education out of a population of 11,000.

– Continued dependency. In the case of Makhmur which has existed since 1998, UNHCR had to provide cash assistance for vulnerable groups in the camp as late as 2011.

- **Option 1: an integrated program of human and institutional resilience-building is supported by the international community in face of declining humanitarian aid.** The standard principles of designing RBDR programs are followed[27] and a bottom-up participatory planning approach involving local government, host community, refugees, and other relevant stakeholders is adopted[28]. The main outcome to be achieved is an advancement of refugees' (and host communities') livelihoods baseline to the minimum and resilient targets defined in Table 6; in other words, improved and sustainable livelihoods on one side and strengthened institutions to ensure that basic services are adequate at an affordable cost on the other side.

The sections below take and expand in detail Option 1's RBDR strategy. Resilience for Syrian refugees in camps, hence, is seen **not only feasible, but prudent by undertaking Option 1**. The overall strategy components are described first, followed finally by a broad costing estimation of building human and institutional resilience.

6.2.1. Project strategy

The project strategy is developed below as follows. First, key principles for the strategy design are discussed. Subsequently, a more detailed and nuanced recommended approach is provided in order to enhance livelihood strategies, expand households' assets base and, finally, maintain and strengthen institutions and public services provision.

6.2.1.1. Key principles for resilience-building in Syrian refugee camps

- **Livelihoods and policies for human resilience**. The priority of action on refugee households is two-fold. On the one side, address the gaps in livelihood strategies, as the data shows income poverty being one of the main contributors to livelihood gaps. On the other side, expand the base of households' key assets. From the assessment of the livelihoods baseline, differences in these explain why the host community has been by large more

27 UNDG. 2014. A Resilience Based Development Response to the Syrian Crisis. Position Paper. 2014.

28 See approach adopted in UNDP Programme Concept Note (2013) on accelerated support for non-camp Syrian refugees and host communities in Kurdistan Region in Iraq.

resilient — at household level — than the refugees. The evidence points to the fact that human resilience can only be achieved through a combination of:

– Livelihoods-support programming, which would be based on the field project that usually UN agencies and NGOs develop for refugee households.

– Advocacy for policy changes in the KRI. This is the key addition. Section 5.2.5 identified policy barriers hindering any resilience-building process. Without addressing such policies, resilience is not deemed feasible. This is not the role of a single agency, but a collaborative effort of each agency and NGO in its respective operational field.

- **System-wide institutional resilience.** Large investments in some public services are still needed in most of the camps — such as water supply — but, above all, institutional resilience depends on system-wide resilience. Camps are not closed systems: data showed that refugees frequently buy food outside the camp, they mostly use public health care in the host community, many families stated a will to send kids to the local schools, etc. Hence, it is not enough by integrating service in camps (health, education, protection, water, electricity, etc.) with the national service provision structure, but this structure must work adequately and efficiently. Otherwise, resilience is not fully achieved. This provides the basis to expand support in capacity building to government institutions and the host community:

  – There is equal access to the services outside the camp, the data does not support the existence of discrimination towards Syrian refugees. However, service coverage and provision has strongly deteriorated due to historical capacity constraints not addressed and due to the current fiscal crisis.

  – Willingness to pay for services such as water and power supply is an element to be considered that can help drive towards system-wide resilience. This willingness exist in a significant proportion of households both in refugee camps and in the host community. It allows to create a more solid financial base.

- **Design principles.** The design and implementation of the RBDR should follow the principles laid out in the regional UNDG position paper for the Syrian crisis[29]. In brief, the particular design by each stakeholder should be based on the following:

  – A set of rules or principles are highlighted in the document: (i) local and national ownership should be encouraged; (ii) planning should be informed by longer-term perspectives about needs, as well as short-term perspectives; (iii) responses should be financially sustainable; (iv) human rights and gender equality should be embedded in the responses; and (v) aid interventions should be sensitive to conflict and conflict risks.

  – The sustainable livelihoods approach is helpful to support program development of the RBDR. In this approach, design starts with selecting the local area of interest, identifying the beneficiaries and

29 UNDG. 2014. Resilience Based Development Response to the Syrian Crisis.

communities and, then, mapping their assets (not needs). With this in place, stakeholders should let communities articulate their vision of more sustainable resilient livelihoods. Stakeholders must identify what individuals can do on their own to get to their vision by building on their assets and, when some gaps are observed, identify what kind of help they need from outside.

– RBDR must utilise the most innovative context-relevant approaches to entrepreneurship building, value chains and inclusive markets, mobile bill payments and other innovative forms of finance and banking, service delivery, etc. Many emerging markets strategies, technologies and innovations could be relevant[30]. An evolutionary approach based on starting small but growing rapidly through innovation, learning and scaling up using complex adaptive systems principles is suggested.

- **Scenario-based planning**. The scope of the RBDR is dependent on the assumptions we make on the future evolution of the KRI (recall Section 3). As commented above, we have taken Scenario A as the baseline, which assumes that current deteriorated social, institutional and economic conditions remain in place. Some changes in the RBDR approach must be taken into account if KRI moves to the situation described in Scenario B, in which the financial situation of the KRG comes back to normality and the local economy consequently reactivates. In particular:

– There would need to be less emphasis on job placement and emergency livelihoods programming, shifting towards targeting more private sector or value-added chain development strategies. The reason is that many business owners in the host community stated that they had to dismiss most of their workers in 2014 because of the economic paralysis. With a recovered situation it is to expect that employment opportunities will appear back at pre-crisis levels automatically — until a new shock appears. However, policy advocacy will still be strongly required as discussed in the first point above.

– The process of handing over service provision in refugee camps to the Governorate's refugee bodies[31] can be reinforced. Discussions with key stakeholders pointed to the fact that, due to KRG's budgetary issues, the government bodies are not able to financially assume increasing responsibility in camp management and they cannot be an alternative to decreasing humanitarian funding. However, there is the will to change this position if the financial situation changes. This is important because it is not feasible to see the camps converting into autonomous self-sufficient settlements like Makhmur camp, but something closer to Kawa camp, where the Erbil Refugee Council regulates the life within the camp.

– With an administration financially able to gradually take over responsibility, it is important to advocate vis à vis governorates to transition from ad-hoc decisions to a planned strategy on humanitarian

30 See, for example, Navi Radjou's "Creative Problem Solving in the Face of Extreme Limits" (TED talk), which discusses frugal innovation or how to get spectacular value from limited resources.

31 Erbil Refugee Council, Bureau of Relief and Humanitarian Affairs, and Sulaimania Governorate Emergency Cell.

response. It was seen in discussions with policy-makers that there was no clear action plan in many of the policy areas in some of the governorates and decisions were only taken when the situation forced to do so.

6.2.1.2. Enhancement of livelihood strategies

A. **Promote better job placement for refugees and a more legally secured labour environment**. One of the critical causes identified for the household income gap between refugee and host community members is the type of job: refugees mostly work in low skilled positions, regardless of their prior formation or capabilities. A big proportion of them also work in temporary or short-term jobs. However, the labour market is also relatively polarised, with some refugees actually holding highly skilled positions. Better outcomes in waged employment for refugees would be achieved by:

   – Actions oriented to make access to labour market more dynamic. This includes jobs and employment generation schemes both in camps and host community, as well as vocational trainings. Based on existing market assessments, areas of interest could include agriculture, small scale agro-processing, construction and service sector, as well as sustainable cash for work schemes for targeted vulnerable population like 3x6 in public works. In addition, further research is required on the KRI's private sector to better understand the barriers that prevent access to higher skilled positions, i.e. whether it is due to the large informality of the economy that hinders the availability of skilled jobs or due to other explicit social / institutional barriers.

   – Actions oriented to increase protection of labour rights. Evidence from the qualitative research pointed to the informality of the private economy as one of the main risks for workers. It is an extended practice to work without any contract and any kind of legal protection[32]. Refugees often are not paid by the employers at the end of their short-term employment but usually keep working there with the hope to be paid eventually. Hence, initiatives such as centres for refugees to support in this situations, where affected individuals can file complaints, would have a positive effect on livelihood strategies. As the host community is affected too, wider action could include to set up platforms in collaboration with municipal or local bodies, engaging with existing governmental departments.

B. **Property rights recognition for Syrian refugees**. Advocacy is required to guarantee people with the status of refugee's the right to own property in the KRI —or special permissions fit for the purpose. The lack of such right due to the present legal framework implies that refugees cannot set up a business out of the camp or engage in agricultural activities as employer. A minority of refugees (in our sample, 6% of household that own a business) have actually initiated businesses in the neighbouring towns by partnering with a local resident, who legally owns everything. Hence, these refu-

32 The issue of informality not only affects refugees but it is pervasive in the host community. Latest employment data in the KRI for 2014, provided by KRSO, suggests that just between 5% and 10% of the employees in the private sector work in the formal economy.

gees are legally unprotected. Overall, refugee capabilities would be enhanced by holding property rights and would contribute with a positive effect on the private sector development in the host community.

C. **Enhance business development in camps and in the host community.** Business support remains a key area in livelihoods programming. However, some issues for resilience have to be considered. Firstly, most of the businesses developed are just oriented to very few added-value activities, mainly buying items outside the camp and selling them inside; more productive activities are further required. Secondly, camps are a closed economy limited to the camp population, so development support cannot be limited to in-camp shops or stalls, but need to be expanded to reach the host community. Finally, business development by the host community members should be also supported as they are the main source of employment opportunities, especially in periods of economic paralysis. We therefore suggest expanding action on the following elements:

– Micro and small businesses. Support in this type of businesses is still critical, although market saturation in some of the camps is an issue, as in Arbat camp, which makes businesses non-profitable and hence non-sustainable. Increased focus on microfinance and seed capital would be beneficial as the main obstacles cited for setting a business were access to capital and lack of space available, apart from obstacles from authorities. Finally, technology inputs or support in acquiring productive assets would increase self-employment and higher added-value activities.

– Partnerships with host community members. Due to the absence of property rights as discussed above, refugees willing to set up a business within the host community must rely on a local partner. Support on establishing these partnerships between in-camp and local entrepreneurs, which are based on trust as well as common interests, or joint host community and refugee production or marketing zones, would increase livelihood opportunities. Apprenticeship schemes would be an additional support.

– Medium-sized added-value businesses. In order to enhance better employment opportunities and better incomes, higher added-value production (and larger activity scale) must be targeted, mainly within the neighbouring regions. There need to be targeted interventions on value chains development and competitive production, as the main obstacle is a lack of financial / know-how and capacity to expand as well as a lack of competitiveness over imported products. The strategy should not only be limited to market interventions, but also advocacy at the institutional level to ease private sector development.

D. **Improve quality and quantity in food procurement through market capacity support**. Camps have developed an extensive fabric of local grocery shops and data shows that people, on average, are satisfied with the food available. However, there was still a non-negligible

amount of concerns about the quality and quantity of the food in camps. In addition, discussions with WFP pointed to the fact that most groceries performed below standards of quality and lacked of proper equipment such as refrigeration, for instance. Having a well-functioning local food market will become even more crucial as food assistance to households is further reduced.

Therefore, a support program and capacity building for local groceries would contribute to enhance food procurement for households in camps[33].

6.2.1.3. Household assets expansion

E. Interventions to facilitate a more durable shelter structure. As highlighted when evaluating refugees' physical capital, most of the families still lack of durable shelter. This is due to two factors: lack of affordability but also camp restrictions.

– Policy change advocacy. Restrictions on building materials allowed or full banning in in-camp construction is increasing. These policies are motivated to ensure a better distribution of a very limited space in camps as well as to avoid creating incentives to remain indefinitely. Changing this policy requires political incentives for the camp authorities, who claim that permissive policies create conflictive situations in terms of space and put pressure on an already constrained water and electricity network. In addition, some type of ownership on physical assets should be recognised for refugee households in order to prevent losing what they possess in the event of a relocation of families in camps.

– Support for low-income households. Indirect support could be provided to those households that cannot afford materials and workforce. Construction materials could be produced in-camp as concrete blocks require little infrastructure. The Domiz Camp has a space dedicated to such activity, for instance.

F. Schemes to encourage and expand household savings. Data showed that a very small proportion of families both in camps and in the host community have been able to save money during the last month[34]. This is critical because, at the same time, the borrowing of money between families — the main source of economic sustenance for many of them — is extremely dependent on the existence of savings within the community. This is the critical element that made most of the families in the host community initially resilient to the current economic crisis. Increasing the level of

33 Related to this, one could discuss that not all families will always be able to procure food in the market and will be critically dependent on the food aid provided now by WFP, under the risk of falling food insecure otherwise. For instance, this is the case for a significant proportion of host community households, who depend on the Public Distribution System, the universal subsidy of basic food stuff. As WFP funding is gradually decreasing, other resilient solutions may be required: one could be the advocacy to include food insecure refugee households into the PDS (although this must be advocated at the central government level, not KRG) or create internal safety nets in each camp to cover for these families, with funding provided either from camp management or from the refugee households themselves. See the quantitative analysis report for more information about how refugee and host community members see these options.

34 This mainly affects families with low education levels, less members employed and higher dependency ratio within the household. In addition, female-headed households are more likely to save money.

savings would have positive impacts in terms of enhanced access to financial support for other families, creating a buffer for harder times and help in business development. Better savings levels in camps, for instance, could also be the base to even build an internal safety net scheme for vulnerable families.

Savings can be enhanced by programs aiming to build saving schemes, cooperatives or credit groups, empower joint decisions in families regarding money allocation[35], increase domestic financial skills, etc. Innovative strategies and partnership with microfinance institutions to improve access to credit and savings without a functional banking system as in the KRI are required.

G. Women empowerment to facilitate participation in the labour force. Nearly 20% of the adult women population in camps is seeking a job. In addition, many Syrian women possess relevant skills and the vast majority of women below the age of 30 are in secondary or university studies. All these figures are significantly higher than compared with women in the host community, hence hinting to a higher willingness to work in a context where female participation in the labour market is minimal. In some years, well-prepared women will seek employment, too after completing their studies. However, only around 6% of the adult female population in camps is employed or self-employed, all of them within the camp boundaries.

Barriers exist. Focus group discussions pointed to some issues. First, there is scarcity of employment opportunities that would be seen as "adequate" for women in the non-governmental sector and socio-cultural barriers in the host community prevent its expansion. Secondly, obstacles from the own Syrian community appear due to lack of trust, as men usually would not let women within their household work or even travel outside of the camp in fear of risks. Planned interventions in these aspects would help ease the participation of women in the labour force and the scope of action could include working in a more secure environment (transport, job conditions, etc.).

H. Putting forward enhanced psychological support in camps. As part of the human capital component, deteriorating psychological health was risen as a critical issue in many of the focus group discussions. Isolation, dependence on others and concerns about the future generate depression. Especially the youngest ones are suffering from post-traumatic stress and many adults feel demoralised. All these characteristics undermine individual capabilities of people and hence are a risk for allowing families to fulfil their own livelihood outcomes. They have negative impacts on the willingness to be entrepreneur and to integrate within the host community. Enhanced support on these issues, from simple actions such as discussion groups where people can have a voice to other planned health interventions, are hence critical.

35 Using data from the Desk Review, 40% of the households reported that women were involved in decision-making related to domestic finance, whether with their husband (23%) or on their own as a sole decision-maker (17%).

I. **Capacity building in camp management to better attend people's needs**. Social and political capital within the camp has been hindered due to pervasive complaints on the decision-making process, concerns on the ability of camp management to attend the needs — without having to rely on wasta— and the low trust on the camp institutions and internal representatives. The optimal situation would not necessarily be an empowerment of refugee-led councils but, instead, the option with more support from both refugees and authorities would be a better functioning and a more open camp management system. These could be fostered through the following:

– Support a more horizontal camp management, putting in place checks and balances and adequate intermediate voice mechanisms for people's complains. Vertical structures tend to show higher rates of dissatisfaction as needs are not heard. In addition, responsibilities of the different elected representatives should be made more clear so that expectations are matched.

– Support enhanced capacity and staff increase in camp management. As some institutions face financial constraints, financial support may be required.

J. **Facilitate exchange platforms between in-camp refugees and host community members**. Camps create physical and mental barriers which are difficult to overcome. This can be seen in the strong preference of camp residents to preserve the camp walls and gates, which create an enhanced feeling of security and community, instead of living in an open environment. To facilitate further integration and an increase in the social capital between refugees and host communities, innovative initiatives in terms of community trust building are required.

K. **Productive natural capital generation in camps and in the host community.** Some of the camp facilities, especially Domiz, have space available to undertake agricultural activities or to open community green spaces. Initiating such projects would provide incentives for further productive activities linked with agro-processing, creating at the same time some income opportunities. Alternatively, access to natural capital outside of the camps could also be facilitated by providing platforms and partnerships for refugees to rent farming land in the host community; support to local host community farmers would also be beneficial in terms of employment generation, as the agricultural sector is one of the most underdeveloped in the KRI and largely below its potential.

6.2.1.4. Public services strengthening

L. **Investment required in water supply infrastructure in camps**. Basic infrastructure in the water supply service is still largely required in all camps assessed. Matching the standards of the host community, where virtually all households have individual water access, will imply a large capital investment in service extension.

M. **Investment required in basic infrastructure in the host community for a reliable supply**. Although connection to the supply network for electricity, wa-

ter, sanitation, transport, etc. is achieved for all refugee households, the reliability of the service still lags significantly behind. Service reliability, however, must be tackled at regional level, not in-camp. Investments in capacity increases are needed in all areas. It requires support in the efficient allocation of resources by the government, in the spirit of UNDP's Socio-Economic Infrastructure Needs Assessment[36].

N. Launch pilot projects in innovative solid waste management and recycling. While solid waste in refugee camps is to a certain extent well managed, the service in the host community is only partial. In addition, there is a total absence of recycling and, overall, it is adding a huge pressure on the end-side of the service, as the garbage is dumped in open landfills near urbanised areas. Camps offer the possibility to be innovative in the management of waste and recycling by introducing pilot projects that can also generate new income opportunities and added value. These projects, upon success, can serve as a model to expand within the host community.

O. Support in education and health provision expanded beyond camp boundaries. Resilience-building in health and education service provision for the refugees is a critical issue extremely affected by contextual circumstances. The focus here is to strengthen the service delivery mechanisms to ensure equitable access to quality services at affordable cost. The thrust of the interventions must be to develop national systems of delivery, although in the short term temporary services might have to be provided by NGO and private suppliers.

– Handing out fully to local authorities the in-camp services in education and health is not a feasible option under the current fiscal crisis. The least worst option is to keep financial support in camps, taking into account that in-camp provision is complemented with the public service offered in the host community.

– Resilience is not to be solved at camp level. The external support to in-camp services can be extended to the neighbouring public sector facilities within the immediate host community, scaling-up the support to local authorities. 6.2.2. RBDR program funding

This final section provides some discussion and estimates on current humanitarian and institutional spending in the camps and provides some estimates on additional costing to implement the RBDR program. The human resilience component is discussed first, followed by institutional resilience.

6.2.2.1. Livelihoods support for Human Resilience

Using data of the overall funding received per sector as provided by UNHCR (see Annex 1, data from the 3RP), it is possible to estimate the current expenses linked with the livelihoods dimensions assessed in this study. The level of expenses in the four camps assessed is as follows:

- Total humanitarian relief estimated for 2015 in camps in areas linked to human

36 UNDP 2012, Building the Kurdistan Region of Iraq: the socio-economic infrastructure. Joint report by the KRG Ministry of Planning and UNDP. December 2012.

livelihoods (not specifically aimed to resilience-building) is **14 million USD**, or 253 USD per refugee. The bulk of it corresponds to food security and shelter, with a 33% each, followed by protection (28%) and core-relief items (6%) —Table 7 in Annex 1.

- Total resilience support estimated for 2015 in camps is **1 million USD**, or 18 USD per refugee. These are the funds currently allocated specifically to 'resilience' in the 3RP budget. This is evenly distributed between the food security and livelihoods sector —Table 8 in Annex 1.

It can be seen that the bulk of external aid is not linked to human resilience per se. While we estimate that humanitarian aid will be decreasing in the following years due to a gradual reduction from donors, resilience support should be increased. Hence, on top of the 15 million USD, the suggested RBDR program funded in USD per year is estimated as follows:

Year 1: 2.0 million USD (Decentralized project planning and start up activities) all 4 camps and host community.

Year 2: 4.5 million USD: (2.5 million USD on livelihood support activities for refugees in camps to help bridge the income gap; 1.5 million USD in support to host community (livelihoods).

Year 3: 4.5 million USD (2 million USD each on host community and Refugees and include evaluation which provide guidance on design of safety net).

Year 4: 3.5 million USD (Depending on evaluation findings: livelihoods, safety nets).

Year 5: 2.5 million USD (to strengthen safety nets and support government systems to take over).

Total over 5 years for 4 camps and their host communities: 17 million USD.

Additional considerations:

- It is also recommended that a safety net be installed at 2 million USD per year for the next 5 years. The goal of this net, managed by the humanitarian community, is to help those who periodically fall below the MLSL to bounce back, both in the host community and refugee camps. The safety net for human resilience could include funding for activities, such as cash for work (e.g. 3x6), re-training, the UN 3-track approach, interest free loans and related MSME support, employment guarantee schemes, etc.

- The spending per camp and their nearby host communities can be estimated roughly as a proportion of their populations but also depends on the nature of the RBD plans to be prepared during the proposed multi-stakeholder planning workshops.

- Program delivery costs will need to be factored in as these estimates are direct program costs.

The funding estimations are based on:

- The targeted population: 62,650 refugees in the 4 camps and the host community around these camps estimated at 227,500 people, with a total of about 290,000 people with much greater attention to be given to the refugees.

- Most of this funding is expected to be on livelihoods support and safety nets. Light infrastructure could be included. Heavy infrastructure would require significantly larger investments.

- Absorptive capacity of the target populations.

- Costs of similar programming in Iraq (UNDP) and 3x6 programming in Yemen.

In a resilience based development response the approach is not to achieve a final end state that can be declared "resilient" as in a traditional logical framework development project with a fixed outcome. The goal of RBDR programming must be to put in motion a set of activities, structures, policies and mechanisms that lead to a self-sustaining system. In a situation of great uncertainty and complexity it is advisable to follow an evolutionary approach of trial and error, innovation and learning in a decentralized and participatory manner. The cost estimates could therefore fluctuate significantly but provide a pragmatic starting point.

6.2.2.2. Institutional Resilience for Services Provision

As discussed in the livelihoods baseline analysis, relief aid and public services in the refugee camps are provided in combination by the international humanitarian community and the KRG. The KRG, for instance, has a significant role in providing security, health, education and some utilities. With the data available from UNHCR (Annex 1), some estimations on current aid spending linked with the institutional dimensions in the four selected refugee camps were done:

- The estimated humanitarian support on public services provision by international actors is **17.2 million USD**, or 311 USD per refugee. Half of it corresponds to WASH, followed by education (40%) and the rest divided between health and camp coordination — Table 7 in Annex 1.

- The estimated spending in the health sector specifically linked to resilience-building by the humanitarian community is **0.6 million USD**, or 10 USD per refugee —Table 8 in Annex 1.

- The estimated spending assumed by the KRG in the camps for a year is **41.3 million USD**, or 747 USD / refugee. 60% of it corresponds to electricity network operation, followed by camp security (33%) and the rest divided between education and health care provision —Table 9 in Annex 1.

- All spendings combined in institutions and public services for 2015, it implies that the aid received by refugees in the four selected camps ascends to **59.1 million USD**, or 1,068 USD per refugee. This spending would be significantly higher in normal conditions, as the 3RP only gathered funds to cover 30% of its requested budget and the KRG is currently facing a severe budget crisis.

These figures can be compared with the spending of the KRG on providing services to the immediate host community around the camps (see Table 10 in Annex 1).

Under normal circumstances, i.e. assuming that the KRG is endowed with a full budget, the spending on the host community (1,697 USD per capita) is comparable to the one

received by the refugees in camps (international actors and KRG combined). The main differences can be attributed to additional spending in security and education (the education spending for the host community includes higher education). The rest of the components are within the same range of figures. In addition, it has to be taken into account that a significant part of the spending on refugees corresponds to capital costs, as most of the infrastructure needs to be built — while such expense is not currently incurred in the host community.

If the KRG is expected to gradually fully assume some of the service responsibilities for the refugees in camps, such as health, education or WASH, it would therefore require an increase of about 30%-40% of the current KRG service provision budget, which correspond to the current 17 million USD spent by the humanitarian community annually[37]. The budget would have to be further increased if the services need to be matched with those of the host community, as capital investments are required. In the current fiscal circumstances of the KRG, this will be a difficult additional burden and some degree of investment in the service provision capacity of the KRG might be required and/or the introduction of user fees for services. This should be tenable as household income for both refugees and the community increases as a result of the investments in livelihoods support.

6.2.2.3. Funding strategy and options

"To optimize use of funds from humanitarian and development funding baskets, the UN Country Team and partners should map and rationalize existing funding mechanisms; establish dedicated pooled funds and multi-donor trust funds, where suitable; ensure that these cover the full spectrum of resilience-based development needs; and help national governments to access the benefits of full cooperation with international donors and financial institutions[38]."

During the roundtable discussions on the outcomes of this study it was suggested by the Ministry of Planning (KRG) that a steering committee for resilience building, bringing together government, UN agencies, and NGOS be established to mobilize resources, integrate programming, improve the coordination of humanitarian and development efforts and avoid wasteful duplication. Further the Ministry suggested that a trust fund for resilience, which matches KRG priorities, be established. To lay the groundwork for the RBDR, it would be useful to start with an integration of projects (between government and international organizations) and for UN agencies to change their approach to funding in order to build resilience. Transitions such as the WFP's plan to shift to targeting the most needy, rather general provision of food vouchers, which causes dependency, is one example of a positive transition.

37 If we assume a decrease of about 25% per year in the international support to service provision, this would amount to a shortfall of about 4 million USD per year over a 4 year period.

38 UNDG 2014. Position paper on Resilience Based Development Response to the Syria Crisis.

Photo: H. Veit, EU/ECHO, April 2013

7. Conclusion

In the context of the protracted nature of the Syrian crisis now entering its fourth year with increasing number of both refugees and IDPs arriving in the Kurdistan Region of Iraq (KRI), it is prudent to consider RBDR compared to depending solely on traditional humanitarian relief efforts. This study has assessed whether it is feasible to build resilience for both in-camp Syrian refugees and neighbouring host communities. It also assessed the the type of obstacles or threats to resilience and which strategic approach would help to build resilience.

The study started with an evaluation of the livelihood baseline for refugees and host community. By comparing differences between both communities and how they both were affected and reacted to the current economic crisis in the KRI, it was possible to understand how resilience could be reinforced. The methodological pillars used to build the baseline are the following:

- The framework to assess resilience in these communities was based on a distinction between human resilience (the capacity of people to sustain their livelihoods) and institutional resilience (the capacity of the relevant systems to maintain adequate levels of basic services provision).

- The livelihoods baseline and resilience evaluation was constructed after the completion of three assessments: a desk review to data mine from available databases, a quantitative assessment to fill the gaps from the desk review and gather future visions and, finally, a qualitative assessment to gain depth on key livelihood issues.

- This evaluation pointed to the following highlights about livelihood baseline and resilience for Syrian refugees and their host community:

- Host community: human resilience — In spite of being significantly below the KRI average in terms of wealth, there has been the capacity in general to maintain living standards and protect human well-being during crisis periods. Areas with a fabric of small familiar businesses have shown resistance to the budgetary crisis, while the large social and financial asset bases played a key role for the households totally dependent on government payments.

- Host community: institutional resilience — The system was deemed to be non-resilient. There has been a widespread deterioration of all services post-crisis. The capacity and provision mechanisms were not adequate before the onset of the crisis. There was neither a buffer capacity to absorb the shocks due to historical underinvestment. Finally, there is right now no financial capacity for quick response actions to address failures.

- Syrian refugees: human resilience — The situation of vulnerability is apparent. Households, in general, tend to show a lower base in key assets compared to the host community and weaker livelihood strategies. This is not only due to the nature of the displacement and the living

situation in camps, but also because of the policies set up by the regional authorities and the economic structure of the region.

This report concludes that resilience-building is not only prudent, but that is feasible as well. A strategic approach is proposed in the final section of the report, based on enhancing livelihood strategies, expanding households' asset base and strengthening institutions and public service provision. The key principles on which this approach is based are the following:

- Addressing the gaps in livelihood strategies (i.e. those that contribute income poverty) and expand the base of key assets arepriorities, but this can only be achieved through a combination of livelihood programming and advocacy work for policy changes.

- Some key investments in basic infrastructure is still needed in camps but, above all, institutional resilience depends on a system-wide resilience approach. As resilience will not be solved at camp level, there must be support to capacity building to the regional institutions, improving in turn cost recovery mechanisms.

- The strategic approach is critically dependent on the assumptions of the KRI's socio-economic development/evolution. The baseline taken is the current situation, which is the worst case scenario in terms of social, political, economic and institutional paralysis. However, under assumptions of an improving situation, then livelihood opportunities within the host community will automatically regenerate as the economy revives. The strategy then would shift towards reinforcing camp institutions and refugee councils in order to gradually hand over service provision and to advocate for a transition from ad-hoc decision-making to a planned vision and strategy.

Photo: Caroline Gluck, EU/ECHO, October 2014.

Annex

Table 7: International humanitarian relief aid to refugees in the four selected camps for 2015

Operational sector	Total financial resources committed for 2015	Financial resources per capita
Sectors on Human Livelihoods Dimension		
Protection	3.9 million USD	70 USD / refugee
Food security	4.8 million USD	86 USD / refugee
Core Relief Items	0.8 million USD	15 USD / refugee
Shelter	4.5 million USD	82 USD / refugee
Sub-total HR	**14 million USD**	**253 USD / refugee**
Sectors on Institutional Dimension		
WASH	8.3 million USD	151 USD / refugee
Education	7.1 million USD	128 USD / refugee
Health care	1.4 million USD	25 USD / refugee
Camp coordination and management	0.4 million USD	7 USD / refugee
Sub-total IR	**17.2 million USD**	**311 USD / refugee**
Other		
Funds unassigned to a specific cluster	4.4 million USD	79 USD / refugee
GRAND TOTAL	**35.5 million USD**	**643 USD / refugee**

Source: Own calculations from 3RP funding factsheet (June 2015). Assumptions on the funding allocated to camp and non-camp refugees have been done per sector: funds for protection and CRIs was allocated per capita basis; funds for food, education and health were allocated per capita basis considering that 80% of total budget was spent in camps and 20% out of camps; funds for shelter, WASH and CCM were allocated per capita basis considering that 100% of total budget was spent in camps. It is important to note that these funding may be underrepresenting reality as many partners did not report whether they received funding or not.

Table 8: International humanitarian support to resilience to refugees in the four selected camps for 2015

Operational sector	Total financial resources committed for 2015	Financial resources per capita
Sectors on Human Resilience		
Food security	0.6 million USD	10 USD / refugee
Livelihoods	0.4 million USD	8 USD / refugee
Sectors on Institutional Resilience		
Health care	0.6 million USD	10 USD / refugee
TOTAL	**1.6 million USD**	**28 USD / refugee**

Source: Own calculations from 3RP funding factsheet (June 2015). Assumptions on the funding allocated to camp and non-camp refugees have been done per sector. It is important to note that these funding may be under-representing reality as many partners did not report whether they received funding or not.

Table 9: KRG's aid to refugees in the four selected camps

Operational sector	Total financial resources for 2015	Financial resources per capita
Security	13.8 million USD	250 USD / refugee
Health care	1.0 million USD	17 USD / refugee
Education	1.8 million USD	32 USD / refugee
Safety nets	0 million USD (refugees have no access to KRI safety nets)	0 USD / refugee
Water supply	0 million USD (operated by KRG but funded by partners)	0 USD / refugee
Electricity supply	24.7 million USD	447 USD / refugee
TOTAL	**1.6 million USD**	**28 USD / refugee**

Source: Own calculations from World Bank's ESIA report of November 2014. The figures take into account that most of the sectors are affected by budget crisis and the actual expense is lower than it would be budgeted in normal conditions (affecting above all security, education and health).

Table 10: KRG's public services provided to the host community around the four selected camps

Operational sector	Budgeted financial resources (estimated for 2014)	Actual financial resources (estimated for 2014)	Financial resources per capita (based on budgeted spending)	Financial resources per capita (based on actual spending)
Security	168.0 million USD	67.2 million USD	786 USD / capita	315 USD / capita
Health care	7.5 million USD	3.0 million USD	35 USD / capita	14 USD / capita
Education (incl. higher ed.)	94.4 million USD	37.7 million USD	442 USD / capita	177 USD / capita
Safety nets	3.6 million USD	1.4 million USD	17 USD / capita	7 USD / capita
Water supply	18.3 million USD	7.3 million USD	86 USD / capita	34 USD / capita
Electricity supply	63.8 million USD	25.5 million USD	298 USD / capita	119 USD / capita
Transport sector	7.0 million USD	2.8 million USD	33 USD / capita	13 USD / capita
TOTAL	**362.6 million USD**	**145.1 million USD**	**1,697 USD / capita**	**679 USD / capita**

Source: Own calculations from World Bank's ESIA report of November 2014. The figures take into account that most of the sectors are affected by budget crisis and the actual expense for this year is lower than it would be budgeted in normal economic conditions. The World Bank estimated that, in most ministries, only 40% of what was budget could be actually spent.

While **financial estimates for the provision** of services to refugees by the KRG would require detailed engineering assessments and is therefore beyond the scope of this study, we present below some graphs which give general patterns of the changes of funding requirements with time assuming (i) the existing situation in the KRI continues and ii) the situation improves.

Figure 10: Changes in funding requirements in refugee camps in a 5-year period

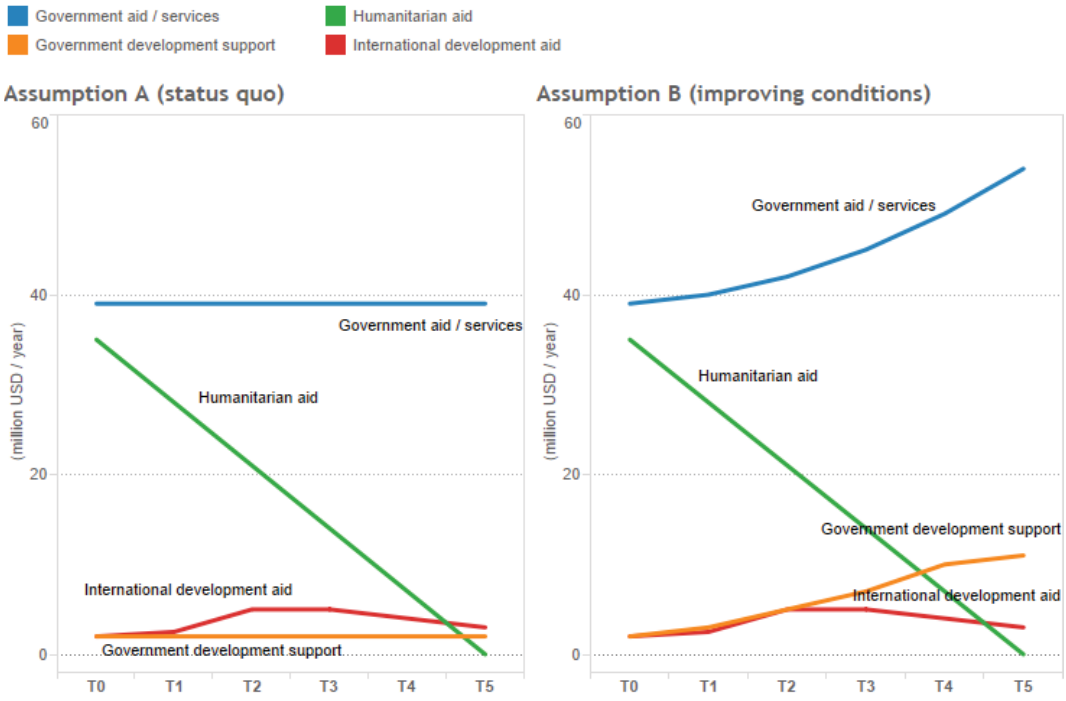


Photo: Caroline Gluck, EU/ECHO, October 2014.

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