

Rooted in the City: A New Vision for Refugees and Humanitarian Action



POLICY BRIEF

As global displacement reaches record levels, the majority of refugees and internally displaced people are no longer living in camps, but are instead settling in urban areas.ⁱ This shift reflects a broader demographic urbanization trend to which humanitarian and development systems have yet to adapt.ⁱⁱⁱⁱⁱ

The 2025 UN-initiated humanitarian reset presents a critical and urgent opportunity to align aid architecture with the evolving needs of the 60 percent of refugees who live in urban areas for extended amounts of time.^{iv}

This policy brief draws on insights from the April 2025 expert convening, *Urban Refugees, Self-Reliance, and the Shifting Aid Landscape*, and it calls on donors, multilateral institutions, and humanitarian agencies to:

- Prioritize an “urban first” approach^v in displacement responses in which cities are the primary, planned sites for refugees to live.
- Strengthen success metrics to reflect economic, social, political, bodily, and psychosocial well-being.
- Promote legal recognition and inclusion in urban areas.
- Strengthen municipal capacity through multilateral development bank (MDB) support.

Addressing urban displacement at scale is no longer optional. It is essential and urgent to uphold refugee protections, foster self-reliance, and build inclusive, sustainable futures for displaced populations worldwide.

1. Context: The Need for Change

As global displacement reaches record highs, it tracks with global demographic trends of increasing urbanization.^{vi} The majority of refugees and displaced people today are no longer residing in formal camps, but instead navigating life in towns and cities, often in informal settlements, peri-urban zones, or other marginalized neighborhoods.

Urban displacement presents a fundamentally different risk and opportunity landscape from camp-based models. Refugees in urban areas frequently arrive with limited protections and face significant barriers to basic services, formal employment, and legal status. In most instances, refugees living in cities and towns receive little to no assistance. Yet, despite these vulnerabilities, given the opportunities offered by the city, urban refugees often demonstrate greater potential for long-term self-reliance than their counterparts in camps. Research shows that despite legal barriers and harassment, refugees are able to establish livelihood strategies, including setting up small enterprises, and thus they are able to make a significant contribution to the local economy.^{vii}

In addition, urban areas host growing populations of non-refugee, low-income residents, creating overlapping vulnerabilities. This calls for inclusive, systems-based responses rooted in local governance and urban planning, rather than parallel systems.^{viii} Strengthening municipal capacity is key to addressing shared challenges like inadequate shelter, lack of documentation, and exclusion from services.

2. Three Key Takeaways from the Convening

Aid systems must prioritize urban displacement. As shrinking budgets force tough decisions, including UNHCR's drastic cuts, it is time to move beyond short-term emergency models and invest in sustainable, locally-led and financed approaches.^{ix} A municipal-focused approach will serve to strengthen the infrastructure, services, and accountability mechanisms that serve both displaced people and host communities in the long run.

a. Urban Refugees Show Strong Potential for Self-Reliance

Recent analysis by the Refugee Self-Reliance Initiative (RSRI) using the Self-Reliance Index (SRI), a validated tool that tracks household progress across twelve key areas such as income, employment, housing, health, and education, confirms a trend already observed by practitioners.^x While refugees in urban settings often begin with greater or similar vulnerabilities than those in camps, their potential to achieve self-reliance over time is significantly higher. The findings draw on data from more than 8,000 refugee households across both camp and urban environments, collected by 10 implementing partners using the SRI.

Despite limited protections and few formal humanitarian support systems, urban refugees show greater upward mobility than their camp-based counterparts, due to comparatively better access to labor markets, services, and social networks. In contrast, camp-based refugees often experience early stabilization followed by stagnation. These findings challenge the long-term viability of the camp-based response model and raise critical questions about donor and government investment in urban refugee integration. Strategic policy and funding shifts are needed to reflect the growing evidence base in favor of urban-centered, self-reliance-oriented approaches.

b. Current Financing Models Are Misaligned

Current financing models are misaligned and do not adequately support cities, despite the fact that they shoulder much of the responsibility and cost of hosting and integrating refugees, often in politically sensitive and resource-constrained environments.

Multilateral-development banks (MDBs), which provide concessional funding, offer a key path to financing city-based approaches. In the last decade, MDBs have been increasing their investments in refugee and migrant response through dedicated facilities that expand access to grants and concessional loans to large refugee hosting nations, such as the World Bank's Window for Host Communities and Refugees (WHR) and the Global Concessional Financing Facility (GCFF).^{xi} MDBs are uniquely positioned to support the "urban first" approach, since they can finance infrastructure and service delivery projects at scale, helping cities conduct urban planning that accounts for the displaced population, expand services and infrastructure to marginalized neighborhoods, improve security, and foster job creation.

However, access to dedicated refugee funding is often designed and delivered at the national level, leaving cities behind. Because most MDB lending requires sovereign guarantees, municipal-level investments are only channeled through central governments, which might not always be receptive to support refugees or might not adequately direct resources to municipalities.

Some banks are starting to implement innovative approaches that acknowledge the impact of displacement on cities and their need for increased support. For example, the European Bank for Reconstruction and Development (EBRD) created the Municipal Resilience Refugee Response Framework (MR3), which provides increased financing to invest in infrastructure such as waste management, energy systems, and public transportation for municipalities in Amman and West Irbid in Jordan and Hatay, Gaziantep, and Mersin in Turkey.^{xii} Similarly, throughout cities in Colombia, the Inter-American Development Bank has been funding one-stop shops called "integrate centers" for migrants and refugees to access local services and support.

c. Cities Are Leading the Way—Now They Need Support

Nairobi is an excellent example of a city in which officials are demonstrating significant leadership to bring about real change for urban refugees. In April 2025, Nairobi launched a Refugee Integration Strategy that paves the way for improved access to essential services.^{xiii} Meanwhile, the national government's focus continues to be on camps. In March 2025, the Government of Kenya published its Shirika Plan, which, although focused on refugee integration, mainly targets Dadaab and Kakuma camps and fails to consider what steps might be needed for the country's urban refugees.^{xiv}

By contrast, in Nairobi, the county authority is taking steps to simplify business licensing, having recognized the potential tax revenue it can gain from helping refugees to register their businesses. Ultimately, for Nairobi's refugees to see meaningful change, the county will require increased revenue flows to bolster service provision. These could come from either the central government or international donors.

There are a few recent examples of donor funding flowing directly to cities. The Mayor's Migration Council is demonstrating, through its Global Cities Fund, that authorities in urban areas have both the political will and the capabilities to administer such funds.^{xv} Cities Alliance is working with secondary cities in East Africa and the Horn to channel resources directly to local authorities in support of displaced populations and their hosts.^{xvi}

These are important steps, but the international community as a whole, and UNHCR in particular, has yet to pivot and embrace an “urban first” approach.^{xvii} This would see cities as the primary planned site for refugees to live, with local government leadership, economic inclusion, recognition of refugees' agency and rights to free movement, and a focus on development, not emergency response.

3. Recommendations

The disruption to the aid sector has already resulted in severe consequences, including cuts to essential services and the erosion of support for the most vulnerable. The system can no longer afford to operate as usual; the reprioritization of resources cannot wait. The 2025 humanitarian reset is a turning point to overhaul the aid infrastructure for a new era of displacement. The following recommendations emerged from the April 2025 roundtable, Urban Refugees, Self-Reliance, and the Shifting Aid Landscape.

- **Prioritize an Urban-First Approach in Displacement Response**

As displacement becomes increasingly urban, humanitarian actors must urgently shift toward an “urban first” model. This requires moving beyond camp-centric approaches to prioritize the systems, infrastructure, and governance of the cities where refugees actually live. Municipal authorities and civil society actors, including refugee-led organizations, must be formally integrated into refugee response coordination, planning, and financing. In the current reality of increasing displacement, their inclusion is essential for building sustainable and adaptable responses.

- **Continue to Expand Success Metrics To Reflect Economic, Social, Political, Bodily, and Psychosocial Well-Being**

A new approach to working in cities requires new ways of measuring success. Indicators devised in emergency contexts that focus on basic needs are not adequate for long-term urban displacement. In recent years, there has been growing recognition that refugee responses must go beyond emergency relief to embrace more holistic, long-term models that support dignity, autonomy, and resilience. One practitioner-focused effort is the Self-Reliance Index, which offers a framework for assessing both economic and social well-being across key domains.^{xviii} This represents a critical shift in how success is defined in humanitarian response. More recently, the International Institute for Environment and Development (IIED) developed a wellbeing framework initially based on four years of research with refugees in Addis Ababa, Amman, and Nairobi, and now being refined with inputs from a wide range of refugee communities in urban centers in East Africa and the Middle East.^{xix}

This holistic framework suggests indicators within five dimensions, reflecting bodily, economic, social, political, and psychosocial well-being.

- **Promote Legal Recognition and Inclusion in Urban Areas**

Refugee documentation is critical for refugee protection and self-reliance.^{xx} Refugees require timely, accessible, and decentralized registration, along with individual identity documents that confirm refugee status and enable access to rights such as work, healthcare, education, and social protection. Where applicable, the right to work should be clearly stated on refugee documents and supported by trained government officials, with outreach to employers and service providers to ensure inclusive implementation.^{xxi} Ensuring that these rights are easily accessible is especially critical for women, who are often left out of formal systems and face additional barriers to accessing documentation and the services it unlocks.

- **Strengthen Municipal Capacity Through Multilateral Development Bank (MDB) Support**

MDBs should ensure that municipalities hosting large numbers of refugees, migrants, and other displaced people have access to adequate financial support to expand their capacity. Priority should be given to municipalities that host disproportionately large numbers of displaced populations, recognizing them in country investment strategies and supporting projects that benefit both refugees and host communities.

MDBs should increase their direct support to migrant- and refugee-hosting cities, coordinate with other MDBs to implement best practices, and ensure that investments are complementary and strategic.^{xxii} Development funding should be channeled inclusively, ensuring it expands access to essential infrastructure and services such as jobs, education, healthcare, and documentation for both displaced and local populations. Lastly, MDBs must ensure flexible emergency financing mechanisms to help cities facing a sudden influx of forcibly displaced people.

ⁱ Lucy Earle, “Addressing Urban Crises: Bridging the Humanitarian – Development Divide,” *International Review of the Red Cross* 90, no. 1 (April 2016), accessed October 7, 2025, <https://international-review.icrc.org/articles/addressing-urban-crises-bridging-humanitarian-development-divide>.

ⁱⁱ Diane Archer and David Dodman, *The Urbanization of Humanitarian Crises, Environment and Urbanization Briefs* (London: IIED, October 2017), accessed October 7, 2025, <https://www.iied.org/10858iied>.

ⁱⁱⁱ Nicholas Crawford, John Cosgrave, Simone Haysom, and Nadine Walicki, *Protracted Displacement: Uncertain Paths to Self-Reliance in Exile* (London: Overseas Development Institute, 2015), accessed October 7, 2025, <https://odi.org/en/publications/protracted-displacement-uncertain-paths-to-self-reliance-in-exile/>.

^{iv} Robert Muggah and Adriana Erthal Abdenur, *Refugees and the City: The Twenty-first-century Front Line*, World Refugee Council Research Paper No. 2 (Waterloo, ON: Centre for International Governance Innovation / CIGI, July 2018), accessed October 7, 2025, <https://www.cigionline.org/static/documents/documents/WRC%20Research%20Paper%20no.2.pdf>.

^v Lucy Earle and Alison Brown, “Realigning Responses to Protracted Displacement: Putting ‘Urban First’ in a ‘World without Camps,’” *Environment & Urbanization* 36, no. 2 (October 2024): 233–248, <https://doi.org/10.1177/09562478241283868>.

^{vi} Hannah Ritchie, Veronika Samborska, and Max Roser, “Urbanization,” *Our World in Data*, accessed October 7, 2025, <https://ourworldindata.org/urbanization>.

^{vii} Alexander Betts et al., *Refugee Economies: Forced Displacement and Development* (Oxford, 2016; online edn., Oxford Academic, December 22, 2016), <https://doi.org/10.1093/acprof:oso/9780198795681.001.0001>, accessed September 29, 2025.

^{viii} Abdullahi Boru Halakhe and Sarah Miller, *No Going Back: The New Urban Face of Internal Displacement in Somalia* (Washington, DC: Refugees International, May 25, 2023), accessed October 7, 2025, <https://www.refugeesinternational.org/reports-briefs/no-going-back-the-new-urban-face-of-internal-displacement-in-somalia/>.

^{ix} UN News, “UNHCR Forced to Make Deep Cuts, Despite Rising Needs Worldwide,” June 2025, accessed October 7, 2025, <https://news.un.org/en/story/2025/06/1164446>.

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- ^{xi} Martha Guerrero Ble, Helen Dempster, and Stéphanie López Villamil, *Why and How Multilateral Development Banks Support Improved Outcomes for Economic Migrants and Refugees* (Washington, DC: Refugees International, May 9, 2024), accessed October 7, 2025, <https://www.refugeesinternational.org/reports-briefs/why-and-how-multilateral-development-banks-support-improved-outcomes-for-economic-migrants-and-refugees/>.
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- ^{xiv} Kenya, *Shirika Plan for Refugees and Host Communities* (Nairobi: Department of Refugee Services, April 2025), accessed October 7, 2025, <https://refugee.go.ke/sites/default/files/2025-04/SHIRIKA%20PLAN%20FOR%20REFUGEES%20AND%20HOST%20COMMUNITIES.pdf>.
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