



SECTORAL GUIDANCE ON INTEGRATING LGBTQI+ COMMUNITIES INTO ECONOMIC GROWTH PROGRAMMING

INCLUSIVE DEVELOPMENT ACTIVITY FOR MISSION SUPPORT

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ACRONYMS AND ABBREVIATIONS

CoP	Community of Practice
CBO	Community-based organization
CSO	Civil society organization
GDP	Gross Domestic Product
ID	Inclusive Development
IDA	Inclusive Development Analysis
IDAMS	Inclusive Development Activity for Mission Support
IP	Implementing partner
KII	Key informant interview
NGO	Nongovernmental organization
NPI	New Partnership Initiative
OU	Operating Unit
SDG	Sustainable Development Goal
SLG	Saving and Lending Group
SOGIESC	Sexual orientation, gender identity/expression, and sex characteristics
TVET	Technical and vocational education and training
UNDP	United Nations Development Programme
USAID	United States Agency for International Development
WASH	Water, sanitation, and hygiene

EXECUTIVE SUMMARY

The *Sectoral Guidance on Integrating LGBTQI+ Communities into Economic Growth Programming* provides actionable recommendations for USAID, implementing partners (IPs), and civil society organizations (CSOs) to advance inclusion of lesbian, gay, bisexual, transgender, queer, and intersex people and those with other, diverse sexual orientations and gender identities (LGBTQI+) in economic growth programming. This guidance, developed through comprehensive desk research and 94 key informant interviews across 16 countries, identifies barriers to inclusion, highlights successful interventions, and proposes strategies for implementation.

FINDINGS

BARRIERS TO ECONOMIC INCLUSION OF LGBTQI+ PERSONS

The guidance identifies several interconnected barriers that hinder LGBTQI+ individuals from achieving economic inclusion:

- **Societal Stigma and Discrimination:** LGBTQI+ individuals have limited education and employment opportunities due to biased processes, familial rejection that leads to economic distress, a lack of social support networks, and restricted access to critical mental health services.
- **Legal Environment:** Discriminatory legislation and insufficient legal protections restrict access to resources and opportunities and create legal loopholes that enable workplace discrimination.
- **Violence and Safety:** LGBTQI+ individuals often work in precarious and dangerous informal-sector jobs, which exposes them to exploitation and a lack of legal and social protections.
- **Barriers to Financial Services:** LGBTQI+ individuals face challenges accessing financial services and capital for business start-up costs and personal expenses due to perceived or declared sexual orientation, gender identity/expression, and sex characteristics (SOGIESC).
- **Specific Barriers Transgender Persons Face:** Transgender individuals often face high costs of medical transition, compounded discrimination based on gender expression, and significant challenges in accessing education, employment, and legal identity documents due to a lack of legal gender recognition.
- **Organizational and Programmatic Challenges:** Insufficient funding, often limited to specific sectors, fails to address root causes, while limited capacity within LGBTQI+ organizations make it difficult to reach marginalized subgroups.
- **Limited SOGIESC Data:** The lack of high-quality data hinders understanding of the LGBTQI+ individuals' needs, monitoring of intervention effectiveness, and addressing of the root causes of economic exclusion.

These overlapping challenges emphasize the need for holistic approaches that address cross-cutting issues to enable full economic participation

PROGRAMS AND ACTIVITIES THAT PROMOTE LGBTQI+ ECONOMIC INCLUSION

The research revealed that programs aimed at promoting LGBTQI+ economic inclusion commonly involve the following activities: (1) training and capacity strengthening, (2) mentorship and coaching for LGBTQI+ entrepreneurs, (3) financial support and access to financial tools, (4) advocacy and legal

support for economic inclusion, (5) recruitment and retention including employer support, (6) tax and economic incentives, (7) community-based initiatives, and (8) research and data collection.

Several high-level factors also emerged as critical for programmatic success:

- **Sustained Investment:** Long-term programs provided comprehensive support across employment stages and enhanced the capacity of community organizations, leading to more effective outcomes.
- **Holistic Approaches:** Addressing interconnected barriers such as housing, health care, and transportation helped stabilize participants' lives, enabling them to engage more fully in economic inclusion efforts.
- **LGBTQI+-Specific Programming:** Initiatives tailored to LGBTQI+ needs or implemented in partnership with LGBTQI+-led organizations effectively leveraged existing expertise and resources.
- **Local Partnerships:** Collaborations with municipal or regional governments, supported by USAID focal points, often achieved better outcomes than national-level partnerships. Proximity fostered trust and reduced logistical challenges, increasing participants' satisfaction and program effectiveness.

RECOMMENDATIONS

The following recommendations are designed for USAID/Washington and Missions to implement directly or support through their IPs and CSOs.

USAID/WASHINGTON

- **Increase and expand funding for LGBTQI+ empowerment initiatives:** Broaden financial support to cross-sectoral programs that address the multifaceted needs of LGBTQI+ communities.
- **Invest in research and data collection:** Invest in gathering evidence to better understand barriers to inclusion and identify effective interventions.

USAID MISSIONS

- **Forge partnerships with key stakeholders:** Collaborate with private-sector allies and local LGBTQI+-led organizations to advance inclusive economic development.
- **Incorporate inclusive development analyses:** Integrate assessments of LGBTQI+ barriers and opportunities into program design for tailored, effective interventions.
- **Implement integrated programming:** Address intersecting barriers through the design of holistic approaches that consider multiple dimensions of exclusion.
- **Identify diverse IPs:** Encourage IPs to engage partners beyond openly LGBTQI+-serving organizations to adopt good practices identified in this study.
- **Address systemic barriers:** Support IPs and CSOs to reduce political, social, and cultural barriers, such as discrimination, stigma, and exclusion from social safety nets, which hinder LGBTQI+ persons' economic participation.
- **Target marginalized subgroups:** Design programs to address the unique barriers intersex individuals, transgender persons, and LGBTQI+ people with intersecting vulnerabilities face, ensuring equity and safety.

IPs AND CBOs

- **Support local organizations:** Strengthen LGBTQI+ organizations and advocacy networks by providing tools, resources, and funding to address structural barriers and promote economic inclusion.
- **Enhance data collection:** Facilitate the safe and ethical collection of disaggregated SOGIESC data to inform program design and evaluate inclusion efforts.
- **Incorporate LGBTQI+ inclusion into learning:** Develop learning agendas that identify and analyze good practices for advancing LGBTQI+ persons' economic inclusion.
- **Foster communities of practice:** Establish or strengthen platforms for sharing knowledge and best practices on LGBTQI+ inclusion among partners and stakeholders.

INTRODUCTION

The Inclusive Development Activity for Mission Support (IDAMS) task order (October 2022–September 2027) exists to address programmatic gaps that United States Agency for International Development (USAID) Missions and Operating Units (OUs) contend with in assessing the needs of, engaging with, and supporting the priorities of marginalized groups around the world. IDAMS draws on locally informed approaches and diverse expertise to help expand awareness of power dynamics; foster inclusive mindsets; and embed practices that combat stigma and discrimination, promote empowerment, and improve the lives of those who have been marginalized in USAID partner countries. IDAMS aims to:

- Increase USAID’s capacity to pursue an inclusive development (ID) approach by expanding knowledge of the needs of marginalized and/or underrepresented groups and/or people in vulnerable situations (hereby referred to as “marginalized groups”) and ID topics.
- Reduce the barriers to developing and managing ID projects, such as integration of ID principles and efforts into broad development activities.
- Expand the general knowledge base of programming for marginalized groups.

For this task, USAID asked IDAMS to develop sectoral guidance for the integration of LGBTQI+ individuals and communities into economic growth programming.¹ Through this activity, IDAMS conducted extensive research to produce the following guidance to inform USAID Missions and implementing partners on how best to ensure that USAID programming is inclusive of LGBTQI+ communities given the unique barriers LGBTQI+ individuals face regarding employment, training, and economic development opportunities.²

Specifically, the task aims to provide:

- An overview of the key challenges and barriers LGBTQI+ individuals deal with in the economic sector from a development perspective (and particularly in USAID partner countries) as well as existing research regarding best and promising practices in economic inclusion of LGBTQI+ individuals, with an acknowledgement of the diversity of LGBTQI+ communities.
- A review of activities and interventions that have sought to improve economic opportunity, including technical and vocational education and training (TVET), for LGBTQI+ individuals.
- Recommendations for USAID staff, implementing partners (IPs), and other development institutions to better address the unique barriers to and considerations for economic empowerment of LGBTQI+ individuals.

¹ Throughout this report, we use the acronym LGBTQI+ to reflect the spectrum of people with diverse sexual orientations, gender identities, gender expressions, and sex characteristics. We may use a slightly different acronym (e.g., LGBT) in discussing research or programs that only addressed specific subgroups within the broader population.

² This sectoral guidance refers broadly to LGBTQI+ economic inclusion. We understand economic inclusion in this context as making sure that all members of society, especially LGBTQI+ persons, have full, fair, and equitable access to economic opportunities like employment, entrepreneurship, finance, and markets to create an economic system where everyone can participate and benefit from growth. Therefore, we refer interchangeably to activities and interventions that promote “economic inclusion,” “economic empowerment,” and “economic growth.”

LGBTQI+ INCLUSION AND ECONOMIC GROWTH

The relationship between the social and legal inclusion of LGBTQI+ people and economic growth is well documented in academic literature and independent research from civil society organizations (CSOs).³ Many studies from both the Global South and North show that excluding people on the basis of sexual orientation, gender identity/expression, and sex characteristics (SOGIESC) produces significant economic costs for a society.⁴ These costs stem from a variety of ways in which LGBTQI+ persons experience discriminatory treatment in their lives. For example, they report experiencing discrimination in employment, including finding and keeping jobs, which can lead to lower productivity and output for individuals (the micro level) and across national economies (the macroeconomy).⁵ Research also shows that LGBTQI+ individuals face discrimination and bullying in school, which leads to lower educational attainment and poorer labor market outcomes.⁶ They also experience lost output due to health disparities stemming from structural stigma, violence, minority stress, and barriers to accessing health care.⁷ These disparities can have a cumulative economic effect that results in disproportionate levels of poverty among LGBTQI+ people relative to the general population.⁸

Exclusion of LGBTQI+ people has a negative impact on economies. Economist Lee Badgett's and the World Bank's early pioneering research on LGBTQI+ exclusion in India attempted to quantify these costs, estimating a range of \$1.2 billion to \$26 billion, or 0.1 to 1.4 percent of India's gross domestic product (GDP).⁹ Likewise, a study by the Williams Institute estimated the costs of stigma and discrimination in South Africa to range between \$3.2 billion and \$19.5 billion due to health disparities LGBTQ adults disproportionately experience.¹⁰ The World Bank's and the Williams Institute's more

³ For an extensive overview of this research, see: Lee Badgett, M. V.. 2020. "The Economic Case for LGBT Equality: Why Fair and Equal Treatment Benefits Us All." Beacon Press.

⁴ For a review of literature on economic lives and livelihoods of LGBTQ+ people, see: Lee Badgett, M.V., Christopher S. Carpenter, Maxine J. Lee, and Dario Sansone. 2024. "A Review of the Economics of Sexual Orientation and Gender Identity." *Journal of Economic Literature*, 62 (3): 948–94.

⁵ See, for example: Suen, Yiu Tung, Randolph C. H. Chan, and M.V. Lee Badgett. 2021. "The Experiences of Sexual and Gender Minorities in Employment: Evidence from a Large-Scale Survey of Lesbian, Gay, Bisexual, Transgender and Intersex People in China." *The China Quarterly* 245 (March 1): 142–64. <https://doi.org/10.1017/s0305741020000429>; European Union Agency for Fundamental Rights. 2020. *A Long Way to Go for LGBTI Equality*. Luxembourg. <https://doi.org/10.23865/noasp.64.ch7>; Huy, Luong The, and Pham Quynh Phuong. 2015. "Is It Because I Am LGBT?" *Discrimination Based on Sexual Orientation and Gender Identity in Viet Nam*. Institute for Studies of Society, Economy, and Environment. <https://doi.org/10.1057/9781137275196.0007>; Sears, Brad, Neko Castelberry, Andy Lin, and Christy Mallory. 2024. *LGBTQ People's Experiences of Workplace Discrimination and Harassment 2023*. Los Angeles: The Williams Institute. <https://williamsinstitute.law.ucla.edu/wp-content/uploads/Workplace-Discrimination-Aug-2024.pdf>.

⁶ Sansone, Dario. 2019. "LGBT Students: New Evidence on Demographics and Educational Outcomes." *Economics of Education Review* 73 (April): 101933. <https://doi.org/10.1016/j.econedurev.2019.101933>; Dhall, Pawan and Paul Boyce. 2015. "Livelihood, Exclusion and Opportunity: Socioeconomic Welfare among Gender and Sexuality Non-Normative People in India." Brighton, UK.

⁷ See: Lee Badgett, M. V., Kees Waaldijk, and Yana van der Meulen Rodgers. 2019. "The Relationship between LGBT Inclusion and Economic Development: Macro-Level Evidence." *World Development* 120 (August 1): 1–14. <https://doi.org/10.1016/j.worlddev.2019.03.011>.

⁸ Lee Badgett, M. V. 2018. "Left Out? Lesbian, Gay, and Bisexual Poverty in the U.S." *Population Research and Policy Review* 37(5): 667–702. <https://doi.org/10.1007/s11133-018-9457-5>; Lee Badgett, M. V., Soon Kyu Choi, and Bianca D.M. Wilson, 2019. *LGBT Poverty in the United States: A Study of Differences between Sexual Orientation and Gender Identity Groups*. Los Angeles: The Williams Institute. <https://williamsinstitute.law.ucla.edu/wp-content/uploads/NationalLGBT-Poverty-Oct-2019.pdf>; Chhoeurng, Rachana, Yara Kong, and Erin Power. 2016. *Poverty of LGBT People in Cambodia*. London: Micro Rainbow. <https://mrifoundation.global/wpcontent/uploads/2017/12/CambodiaReportEN.pdf>.

⁹ Lee Badgett, M. V. 2014. *The Economic Cost of Stigma and the Exclusion of LGBT People: A Case Study of India*. World Bank. <https://fid4sa-repository.ub.uni-heidelberg.de/3693/1/Cost%20of%20Stigma%20LGBT%20India.pdf>; Lee Badgett, M. V., *The Economic Case for LGBT Equality*: 119.

¹⁰ Nyeck, S.N. et al. 2019. *The Economic Costs of LGBT Stigma and Discrimination in South Africa*. Los Angeles: The Williams Institute. <https://williamsinstitute.law.ucla.edu/wp-content/uploads/Impact-LGBT-Discrimination-South-Africa-Dec-2019.pdf>.

recent research on SOGIESC-based exclusion in North Macedonia and Serbia has estimated losses of 0.51 percent and 0.5 percent of GDP, respectively.¹¹ Another analysis of LGBTQI+ exclusion in Southeast Asia estimates an economic cost of up to 1.47 percent of GDP each year due to the financial costs associated with LGBTQ+ public health and wage gaps in six countries: Indonesia, Malaysia, the Philippines, Singapore, Thailand, and Vietnam.¹² While these figures may seem relatively small, a loss of 1.0 percent of GDP over time can be associated with a recession.¹³

Conversely, a growing body of evidence indicates that LGBTQI+ inclusion is linked to economic growth. Research suggests three pathways through which LGBTQI+ inclusion is linked to positive development outcomes. First, LGBTQI+ inclusion creates opportunities for LGBTQI+ persons to access quality education, health care, and jobs in nondiscriminatory settings, maximizing human capital by making sure all individuals can productively participate in the economy.¹⁴ Second, inclusive societies can stimulate foreign investment and innovation by enhancing a country's appeal to tourists, foreign investors, and other partners.¹⁵ Third, laws and policies inclusive of LGBTQI+ people can improve their lived experience and foster their ability to freely make choices about how they live their lives.¹⁶

Researchers have attempted to quantify these positive economic benefits as well. According to a prominent study, one of the points on the authors' eight-point scale of legal rights for LGBTQI+ persons is associated with an increase in real GDP per capita of nearly \$2,000.¹⁷ Another analysis by Open For Business, a coalition of companies working to advance LGBTQI+ equality, found a strong positive correlation (0.67) between how accepting a country is of LGBTQI+ people and economic resilience, concluding that "businesses thrive in tolerant societies and that the spread of anti-LGBT+ policies runs counter to the interests of business and economic development."¹⁸ Recently, a cross-national study by the Williams Institute found that countries that are more accepting of LGBTQI+ people and their rights are more likely to have higher levels of GDP per capita.¹⁹

¹¹ Flores, Andrew et al. 2023. *The Economic Cost of Exclusion Based on Sexual Orientation, Gender Identity and Expression, and Sex Characteristics in the Labor Market in the Republic of Serbia*. Washington, D.C.: World Bank. <https://openknowledge.worldbank.org/handle/10986/40379>; Flores, Andrew et al. 2023. *The Economic Cost of Exclusion Based on Sexual Orientation, Gender Identity and Expression, and Sex Characteristics in the Labor Market in the Republic of North Macedonia*. Washington, D.C.: World Bank. <https://openknowledge.worldbank.org/entities/publication/4f6149be-1ce5-4f36-9a9d-1243dfa3a7fd>.

¹² Perlov, George et al. n.d. *The Economic Case for LGBTQ+ Inclusion in Southeast Asia*. Open For Business. <https://static1.squarespace.com/static/5bba53a8ab1a62771504d1dd/t/66f19fe7b1e6e76386a2cfb8/172711158243/1.+Southeast+Asia.pdf>.

¹³ Lee Badgett, M. V., *The Economic Case for LGBT Equality*, 120.

¹⁴ See: World Bank. 2024. *Equality of Opportunity for Sexual and Gender Minorities 2024*. The World Bank. p. 76. <https://openknowledge.worldbank.org/server/api/core/bitstreams/37d8bcdf-791b-48df-955d-4f0de28079ae/content>; Lee Badgett, M. V., Kees Waaldijk, and Yana van der Meulen Rodgers. 2019. "The Relationship between LGBT Inclusion and Economic Development: Macro-Level Evidence." *World Development* 120 (August 1): 1–14. <https://doi.org/10.1016/j.worlddev.2019.03.011>; OECD., 2020. *Over the Rainbow? The Road to LGBTQI Inclusion*. <https://doi.org/10.1787/8d2fd1a8-en>.

¹⁵ Ibid.

¹⁶ Ibid.

¹⁷ Lee Badgett, M. V., Kees Waaldijk, and Yana van der Meulen Rodgers, "The Relationship between LGBT Inclusion and Economic Development."

¹⁸ Keller, Drew. 2022. *Inclusive Cities, Dynamic Economies, Better Lives: Open For Business City Ratings 2022*. Open for Business. <https://static1.squarespace.com/static/5bba53a8ab1a62771504d1dd/t/62bace1be55fe93337257786/1656409636102/Open+For+B usiness+City+Ratings+Report+2022.pdf>.

¹⁹ Flores, Andrew, Miguel Fuentes Carreno, and Ari Shaw. 2023. *Democratic Backsliding and LGBTI Acceptance*. Los Angeles: The Williams Institute. <https://williamsinstitute.law.ucla.edu/wp-content/uploads/GAI-Democracy-Sep-2023.pdf>; Another study drawing on attitudinal data provides suggestive evidence that social tolerance toward same-sex relations is positively correlated with a country's capacity for technological innovation. See Vu, Trung V. 2022. "Linking LGBT Inclusion and National Innovative Capacity." *Social Indicators Research* 159, no. 1 (January): 191–214. <https://doi.org/10.1007/s11205-021-02743-2>.

Beyond economic growth, LGBTQI+ inclusion is strongly associated with other development outcomes related to stability and security, democracy, and the rule of law. Research shows that countries that are more accepting of LGBTQI+ persons and their rights are more likely to be strong democracies.²⁰ Likewise, countries with laws and policies that are protective of LGBTQI+ rights are less likely to be corrupt and more likely to have entrenched rule of law.²¹ Please see *Annex 1* for a summary of key policies promoting LGBTQI+ inclusion.

RESEARCH DESIGN AND METHODS

RESEARCH QUESTIONS

- What are the unique barriers to economic empowerment of LGBTQI+ individuals around the world?
- What are examples of activities and interventions for economic empowerment of LGBTQI+ individuals around the world?

METHODS

DESK REVIEW

IDAMS reviewed more than 60 studies, reports, and other documentation from peer-reviewed publications, international organizations, LGBTQI+ CSOs, and USAID IPs. Where there was no other formal reporting available, IDAMS reviewed social media posts that described CSOs' activities. IDAMS included sources if they explicitly discussed barriers to inclusion or programs and interventions to promote the economic inclusion of LGBTQI+ people or a subgroup within that population. To capture as much geographic and linguistic diversity as possible, IDAMS reviewed documents in English, French, Portuguese, and Spanish.

KEY INFORMANT INTERVIEWS

IDAMS attempted 105 key informant interviews (KIIs), and conducted, documented, and analyzed 94 (54 online, 40 in person). Key informants represented a range of stakeholders engaged in LGBTQI+ economic inclusion activities, such as USAID staff, IPs, and donors. IDAMS conducted these semi-structured interviews (all between 50 minutes to 1.5 hours) with individuals from 16 countries across four USAID regions: Africa, Asia, Latin America and the Caribbean, and Europe and Eurasia. Researchers identified interviewees through snowball sampling based on initial recommendations from USAID Mission staff in 15 countries (4 in Africa, 6 in Latin America and the Caribbean, 4 in Asia, and 1 in Europe and Eurasia). IDAMS then identified additional KIIs through desk review and personal and professional networks. IDAMS conducted interviews in English (54%), Spanish (34%), and Serbian/Hindi/other (12%). IDAMS conducted three in-person site visits to provide a deeper

²⁰ Flores, Andrew, Miguel Fuentes Carreno, and Ari Shaw, "Democratic Backsliding and LGBTI Acceptance."

²¹ Dicklitch-Nelson, S., E. Maxwell, E. Hallenbeck, S. Kasparek, and A. Moreno. 2023. "Democracy, Corruption, and Global Freedom: Comparing LGBTQI+ Legislation with Lived Human Rights Reality." *Working Paper Series 1*. Franklin & Marshall College Global Barometers. See also Flores, Andrew and Andrew Park. 2018. *Examining the Relationship Between Social Acceptance of LGBT People and Legal Inclusion of Sexual Minorities*. Los Angeles: The Williams Institute. <https://williamsinstitute.law.ucla.edu/wp-content/uploads/LGBT-Acceptance-Legal-Inclusion-Mar-2018.pdf>.

examination of programs and country contexts (India, Honduras, and Serbia). IDAMS anonymized the interviews to ensure safety and confidentiality of participants and IPs.

IDAMS coded and analyzed interview transcripts using Atlas.ti software and employed a hybrid approach to coding. The team deduced initial codes from the structured interview guide. For a second round of coding, IDAMS conducted a thematic analysis of responses to four categories of questions: (1) barriers to economic inclusion of LGBTQI+ people in their country/region; (2) activities and interventions to promote economic inclusion of LGBTQI+ persons; (3) subpopulations within the LGBTQI+ community that these activities served; and (4) recommendations for LGBTQI+-inclusive economic development programming. The analysis employed co-occurrence analysis to compare barriers, activities, subpopulations, and recommendations by region. Finally, IDAMS compiled brief case studies of successful activities to promote economic inclusion of LGBTQI+ persons.

STUDY LIMITATIONS

The study had a few notable limitations. First, as previously mentioned, IDAMS identified KIs through snowball sampling based on initial recommendations from USAID staff. Given the response rate and the distribution of USAID Missions that participated in this initial outreach, a majority of KIs came from Latin America and Asia. Also, the sensitivity around discussing LGBTQI+ programming in countries where same-sex relations are criminalized posed some challenges for conducting additional KIs. As a result, the section below on economic empowerment activities does not reflect a representative or exhaustive set of such activities across the world. Rather, it describes a broad variety of LGBTQI+ economic inclusion activities based on available data and identified by interview participants.

Second, most KIs could identify relevant projects and activities, but were unable to provide specific, quantifiable evidence of the impact or efficacy of various programs working on LGBTQI+ economic inclusion. Consequently, the study cannot make evaluative claims about the demonstrable effectiveness of highlighted programs based on quantitative impact indicators such as increased incomes, placement in wage employment, increased assets, or economic viability of entrepreneurship.

Third, the relatively short timeline for completing the project presented constraints on the number and length of interviews that could be conducted. IDAMS conducted all interviews and site-visits, as well as transcribed, coded, and analyzed data, between August and October 2024. This limited the time that IDAMS had to increase regional representation among KIs. It also meant that there was less time during the interviews to ask follow-up questions or probe for additional details.

Finally, although some in-person interviews IDAMS conducted during site visits included KIs from rural areas, the team conducted most KIs in the study with people from urban areas where informants were often more accessible and had access to the internet.

FINDINGS

BARRIERS TO ECONOMIC INCLUSION OF LGBTQI+ PERSONS

The desk review and KIs identified several key barriers that prevent LGBTQI+ persons from fulfilling their economic potential. Several barriers overlap or are interrelated, and the report highlights where there may be distinctions that have implications for program design and implementation.

A recurring theme among KIs was the interconnectedness between economic exclusion and other forms of discrimination and marginalization LGBTQI+ people face, including in health care, education,

and access to public services. Many KIs argued that this points to the need for a holistic approach to promoting full economic inclusion that addresses cross-cutting barriers.

SOCIETAL STIGMA AND DISCRIMINATION

Both the desk research and KIs indicate that LGBTQI+ individuals experience discrimination across various dimensions of their lives that create barriers to full economic inclusion and empowerment. Many countries have low or moderate levels of social acceptance toward LGBTQI+ people and low recognition of their full rights.²² Such stigma can inform negative attitudes that lead to discrimination and harassment against LGBTQI+ people in the job application process and in the workplace.²³

More broadly, anti-LGBTQI+ stigma can lead to exclusion across a range of other domains that also hinder LGBTQI+ people's full economic participation. For one, LGBTQI+ people may be rejected by their families and experience homelessness or be unable to receive support in job seeking, starting a business, or co-signing for loans.²⁴ Indeed, in many USAID partner countries, social networks, including families, share labor market information with those seeking wage employment and provide informal financing to entrepreneurs. Therefore, discrimination at home is a significant economic barrier for LGBTQI+ people and LGBTQI+ youth in particular.

Stigma can also lead to minority stress that results in poor mental and physical health outcomes, affecting one's ability to work.²⁵ An informant from Kenya explained the effects of mental health on the economic inclusion of LGBTQI+ migrants:

*"There are constant evictions of queer refugees who [pay] for their own houses, but then there's constant eviction and moving. That really impacts [them]. They are, therefore, in constant survival mode ... Of course, this then affects the mental health of the queer refugees that we work with. Once you are not in a mental space to engage in economic activities, then it also now means you have to rely on someone else for your [material support]."*²⁶

Exclusion of LGBTQI+ people in educational settings creates challenges to economic inclusion from adolescence by preventing them from building employability skills and expanding their networks. Discrimination and violence against LGBTQI+ students lead to lower educational attainment, reflected

²² Flores, Andrew. 2021. *Social Acceptance of LGBTI People in 175 Countries and Locations*. Los Angeles: The Williams Institute. <https://williamsinstitute.law.ucla.edu/publications/global-acceptance-index-lgbt/>.

²³ Carcillo, Stéphane and Marie-Anne Valfort, 2018. *Les discriminations au travail: femmes, ethnicité, religion, âge, apparence, LGBT, Sécuriser l'emploi*. Paris: Sciences Po, les presses. 145; Winter et al., "Denied Work: An Audit of Employment Discrimination on the Basis of Gender Identity in South-East Asia."

²⁴ Lee Badgett, M.V. et al. 2021. *Identifying Effective Strategies to Improve Livelihoods of LGBTI People*.

<https://static1.squarespace.com/static/5ea8b30ef6cf00375e8df429/t/6213bf7bac1b5635ccf62f2f/1645461372476/Badgett+et+al+LGBT+Strategies+Paper+Dec+2021.pdf>; Philip, Megha Susan and K.V. Raju. 2020. "Exclusion of Transgenders and Microfinance as a Means to Achieve Universal Inclusiveness: With Special Reference to Kerala, India," *IOSR Journal Of Humanities And Social Science* 25, no. 1 (January); Coyle, Daniel and Paul Boyce. 2015. *Same-Sex Sexualities, Gender Variance, Economy and Livelihood in Nepal: Exclusions, Subjectivity and Development*. Sussex: University of Sussex. <https://primarysources.brillonline.com/browse/human-rights-documents-online/samesex-sexualities-gender-variance-economy-and-livelihood-in-nepal-exclusions-subjectivity-and-development;hrdhrd01482015027>.

²⁵ Meyer, Ilan H. 2003. "Prejudice, Social Stress, and Mental Health in Lesbian, Gay, and Bisexual Populations: Conceptual Issues and Research Evidence.," *Psychological Bulletin* 129, no. 5: 674.

²⁶ Online interview with informant 33, Kenya, par. 37–39.

in higher dropout rates and poor labor market outcomes.²⁷ LGBTQI+ people with limited education, including technical skills, may be forced to accept low-wage jobs, including those outside the formal sector, which lack protections and may be exploitative; this is particularly true for transgender women.²⁸

Harassment and poor treatment at school also inhibit LGBTQI+ individuals from fully developing academic knowledge and hard and soft skills employers demand for successful participation in the job market as adults. Higher levels of educational attainment bring opportunities to connect with employment networks (provided directly through school activities or social networks). Students also have better chances to learn skills such as submitting applications and preparing for interviews, as well as accessing internships and entry-level jobs to break into professions.²⁹

Research shows that LGBTQI+ people face challenges in both searching for jobs and retaining employment. An audit study of transgender people in Southeast Asia, in which pairs of resumes were sent in response to entry-level job advertisements to examine how signals of cis- or trans- identity affected employers' response, found that transgender applicants were less likely to receive a job interview compared to cisgender candidates with similar profiles.³⁰ Even once they have secured employment, LGBTQI+ people report experiencing discrimination by supervisors and co-workers.³¹ Such realities reflect the broader challenge for LGBTQI+ people in countries with no nondiscrimination protections in employment.³² Recruitment and retention may be particularly challenging for transgender people. For example, in contexts without legal gender recognition, transgender applicants cannot access identity documentation to match their gender identity, which is necessary for many job applications.³³

LGBTQI+ people may also have multiple marginalized identities that exacerbate barriers to integrating into economic life. For instance, an informant from Honduras detailed how Afro-Honduran and Indigenous queer women living with disabilities are often invisible among LGBTQI+ economic inclusion

²⁷ All Manipur Nupi Maanbi Association et al. 2019. *Guidelines for Economic Inclusion of Gender and Sexual Minorities in India Beyond the Corporate World*. Kolkata: Varta, January 17, 7. <https://vartagensex.org/wp-content/uploads/2020/12/Economic-Inclusion-Kol-Cnslttn-2019-Report-Final.pdf>; Badgett, Waaldijk, and Rodgers, "The Relationship between LGBT Inclusion and Economic Development," 6; Burns, Katya. 2020. *Best Practices Guide on Economic Empowerment for LGBTQI Communities*. Amsterdam: COC Netherlands. https://international.coc.nl/wp-content/uploads/2020/10/Best-Practices-Guide_English_201020final.pdf.

²⁸ Winter, Sam et al. 2018. *Denied Work: An Audit of Employment Discrimination on the Basis of Gender Identity in South-East Asia*. Bangkok: Asia Pacific Transgender Network – United Nations Development Programme, 22.

https://www.undp.org/sites/g/files/zskgke326/files/migration/asia_pacific_rbp/RBAP-HHD-2018-Denied-Work-An-Audit-of-Employment-Discrimination.pdf; Sabogal Camargo, Ángela et al. 2022. *Diagnóstico y Recomendaciones para la Inclusión Laboral de los Sectores Sociales LGBTI*. Bogotá: Fundación ANDI, ACIDI/VOCA, Interra, Se Puede Ser, Secretaría de Planeación de Bogotá, CNC y Fundación Corona, 34.

https://www.sdp.gov.co/sites/default/files/diagnostico_recomendaciones_inclusion_laboral_sectores_sociales_lgbti.pdf; ILO Gender Equality and Diversity Branch. 2015. *Discrimination at Work on the Basis of Sexual Orientation and Gender Identity: Results of the ILO's PRIDE Project*. Briefing note. US: ILO.

http://www.ilo.org/gender/Informationresources/Publications/WCMS_368962/lang--en/index.htm.

²⁹ Lee Badgett, M.V. et al. 2021. *Identifying Effective Strategies to Improve Livelihoods of LGBTQI People*. p. 2.

<https://static1.squarespace.com/static/5ea8b30ef6cf00375e8df429/t/6213bf7bac1b5635ccf62f2f/1645461372476/Badgett+et+al+LGBT+Strategies+Paper+Dec+2021.pdf>; Arzinos, De La Medina Soto, and Cortez, "Equality of Opportunity for Sexual and Gender Minorities," xviii.

³⁰ Winter et al., "Denied Work: An Audit of Employment Discrimination on the Basis of Gender Identity in South-East Asia."

³¹ Suen, Yiu Tung, Randolph C. H. Chan, and M.V. Lee Badgett. 2021. "The Experiences of Sexual and Gender Minorities in Employment: Evidence from a Large-Scale Survey of Lesbian, Gay, Bisexual, Transgender and Intersex People in China," *The China Quarterly* 245 (March 1): 142–64. <https://doi.org/10.1017/s0305741020000429>.

³² Asian Development Bank. 2024. *Assessment of the Legal Status of Sexual and Gender Minorities in 17 Countries in Asia and the Pacific*. 0 ed. Manila, Philippines: Asian Development Bank. 19–22. <https://doi.org/10.22617/SPR240285-2>.

³³ ILO. 2022. *Inclusion of Lesbian, Gay, Bisexual, Transgender, Intersex and Queer (LGBTQIQ+) Persons in the World of Work: A Learning Guide*. Publication.(USA: ILO. p. 25. http://www.ilo.org/global/topics/equality-and-discrimination/publications/WCMS_846108/lang--en/index.htm.

activities because they face additional forms of societal discrimination based on ethnicity, gender, or disability status that stigmatize their participation in economic empowerment activities.³⁴ Likewise, a Serbian informant explained that they were not able to reach Roma LGBTQI+ individuals in their programming because Roma people are deeply marginalized within Serbian society.³⁵ And in Latin America, informants frequently discussed the barriers that LGBTQI+ migrants face finding employment and resources in new or transitional settings.³⁶

LEGAL ENVIRONMENT

More than 60 countries criminalize consensual same-sex activity, and KIIs described the effects of criminalization and other anti-LGBTQI+ legislative restrictions on access to economic resources and opportunities. One informant from Malawi explained how criminalization leads to discrimination in the workplace, affecting economic inclusion:

“... [Y]ou are already disempowered, because you are looked at as a criminal, so the legal environment really enforces discrimination of different aspects ... discrimination at the workplace, even discrimination for customers to buy your products.”³⁷

Even where LGBTQI+ people are not expressly criminalized; the absence of nondiscrimination protections can create barriers to economic inclusion. As one informant described with respect to people with intersex traits:

“Intersex people are, first of all, not even recognized in laws and policies. However, they certainly continue to face discrimination right from their childhood to their adult life. This [lack of protections] has serious impacts on ... employment-related opportunities.”³⁸

Regional legal developments, such as legislation of neighboring countries, can further compound barriers. Two Kenyan informants expressed concern that the Anti-Homosexuality Act in Uganda would have a broader effect on further stigmatizing LGBTQI+ persons and targeted economic empowerment programming in Kenya.³⁹

VIOLENCE AND SAFETY

Violence, harassment, and threats of violence create difficulties for LGBTQI+ people to find work, stay employed, and enter industries outside of the informal sector. Many jobs LGBTQI+ people commonly hold in the informal sector are inherently dangerous and lack legal protections.

In some cases, anti-LGBTQI+ threats from gangs, organized crime, or drug cartels lead LGBTQI+ individuals into situations of forced labor. This phenomenon is prevalent in some Latin American countries, where informants reported that LGBTQI+ people were forced to engage in criminal activities in illicit markets such as selling drugs or collecting bribes. In other cases, KIIs reported that some

³⁴ In-person interview with informant 34, Honduras, par. 112–114.

³⁵ In-person interview with informant 92, Serbia, par. 48.

³⁶ In-person interviews with informants 24, 27, 28, 53–58, 59, 60, and 96 in Honduras; online interviews with informant 1 in Peru, and 86 in Brazil.

³⁷ Online interview with informant 6, Malawi, par. 27.

³⁸ Online interview with informant 62, Asia, par. 56–59.

³⁹ Online interviews with informants 5 and 7, Kenya.

LGBTQI+-owned businesses were extorted under a “war tax,” requiring payments to crime syndicates in exchange for protection.⁴⁰

BARRIERS TO FINANCIAL SERVICES

Interviewed LGBTQI+ people reported difficulties accessing financial services and capital for both business start-up costs and personal expenses that support other economic activity. One informant described the challenges of bias in the banking industry in India:

“Where we are today, very simply, is we work extensively with the government and many banks to unlock access to credit for people that would traditionally never get credit. This is even more true of LGBTQI+ communities, because there is an inherent bias in terms of when they interact with a bank officer or a manager.”⁴¹

SPECIFIC BARRIERS TRANSGENDER PERSONS FACE

Transgender persons deal with unique forms of exclusion that compound other barriers to economic inclusion. For one, many transgender persons face discrimination based on the extent to which their gender expression comports with accepted gender norms. KIs also reported that many transgender individuals lacked stable support networks to assist with their transition in the face of stigma and discrimination. In many cases, this can lead individuals to take marginally higher-paying but riskier jobs in the informal sector. An informant in India also described how family rejection compounded the costs of transitioning by reducing economic support and forcing them to live in more precarious circumstances of extreme poverty.⁴²

The absence of legal gender recognition for transgender people creates additional barriers to accessing employment in the formal sector. For example, a transgender person may be unable to change their name or select their preferred gender marker on a national ID. One informant in India described:

“There are many other laws associated with [transgender persons] ... the last name, our old dead name, because we have to change it, there are many problems. There are problems in documentation. Then, where will we get a job when our documents are not right? Our names are not right.”⁴³

ORGANIZATIONAL AND PROGRAMMATIC CHALLENGES

Many informants described barriers to promoting economic inclusion of LGBTQI+ persons due to resource shortages and capacity challenges. Many expressed frustration that available funding is often limited to programs and interventions in specific sectors, namely health (and frequently focused on HIV/AIDS), and does not address root causes of economic exclusion. KIs also described how restricted funding forces organizations to develop workarounds or “spin-offs” that provide the economic empowerment programming that the community needs.⁴⁴

⁴⁰ In-person interview with informant 19, Honduras, par. 62–63.

⁴¹ In-person interview with informant 46, India, par. 19.

⁴² In-person interview with informant 36, India, par. 71.

⁴³ In-person interview with informant 77, India, par. 62–66.

⁴⁴ Online interview with informant 84, Nigeria, par. 104

More broadly, KIs report that funding is insufficient for both LGBTQI+-specific initiatives and broader economic development programs that include LGBTQI+ individuals. One CSO in India reported that they could only afford to conduct small-scale or targeted projects that do not fully meet the needs of their constituents.

“The challenge there is that a lot of the work is focused on just skilling or just jobs. It’s not comprehensive. A lot of it is about just creating that sense of community, which is fantastic. The individual average NGO [nongovernmental organization] is not able to provide a continuum of support. Even if they are able to do that, it’s fairly sub-scale, because they’re always scrambling for resources, and they don’t have the ability to negotiate with the government and talk to the private sector and do all of these other things.”⁴⁵

Informants also discussed challenges due to limited capacity relative to funders’ demands and expectations. Interviewees expressed a need for support in strengthening organizational capacity prior to taking on new projects or services. Many also described how limited capacity exacerbated challenges in reaching economically marginalized LGBTQI+ subgroups, particularly those in rural areas and Indigenous communities, intersex people, older adults, persons with disabilities, and LBQ+ women.

LIMITED SOGIESC DATA

Despite increasing global efforts to expand data on the needs and experiences of LGBTQI+ persons, many countries still fail to systematically collect high-quality, disaggregated data relating to SOGIESC.⁴⁶ This poses a barrier to making sure policymakers, funders, and CSOs fully understand the experiences of LGBTQI+ persons in the economic sector and, in turn, best ways to target activities that promote inclusion based on their needs. KIs repeatedly reported that understanding the needs of the community should be paramount in the process of economic empowerment program design and implementation, but limited data often hamper donors’ and IPs’ ability to make sure needs are being addressed in program design and to evaluate the efficacy of interventions.

PROGRAMS AND ACTIVITIES THAT PROMOTE LGBTQI+ ECONOMIC INCLUSION

While there is limited peer-reviewed research on specific interventions to promote economic inclusion of LGBTQI+ persons and gaps in evidence of impact, grey literature and KIs described a range of programs and activities that promote inclusion of sexual and gender minorities in economic development programming. This section provides an overview of such activities. It is intended to be illustrative and non-exhaustive.⁴⁷

⁴⁵ In-person interview with informant 46, India, par. 37.

⁴⁶ One global effort to expand SOGIESC data collection is the United Nations Development Programme’s (UNDP’s) LGBTI Inclusion Index, which creates measures of the lived experience of LGBTQI+ persons (<https://www.undp.org/publications/2024-lgbti-inclusion-index-report-pilot-implementation>). Other efforts are underway at the World Bank, Inter-American Development Bank, the United Nations, the European Union, and the Asian Development Bank. There are also many citizen-generated initiatives led by CSOs and CBOs. See, for example, Sin Violencia (<https://sinviolencia.lgbt/>) and <https://www.data4sdgs.org/blog/strengthening-lgbtiq-data-multi-stakeholder-dialogue-and-action-latin-america-and-caribbean>.

⁴⁷ There are scant data measuring the impact and efficacy of economic inclusion programs focusing on LGBTQI+ persons. Consequently, we are unable to make any claims regarding the effectiveness of these particular activities. Instead, this section describes activities gathered through IDAMS’ research, with an eye toward future research evaluating the efficacy of various interventions.

As mentioned, there are scant research and data available on the impact and efficacy of interventions that address LGBTQI+ economic empowerment. Nevertheless, several high-level factors emerged through IDAMS' investigation that suggest important variables for programmatic success:



Programs and activities that had sustained investment were able to provide support to participants at multiple stages of the employment cycle and, in some cases, strengthen the capacity of community organizations that provide services.



Programs that addressed cross-cutting barriers to economic inclusion, such as access to housing, health care, and transportation, tended to result in more stable employment opportunities for participants, ameliorating immediate and urgent needs participants faced so they could prioritize their involvement in economic inclusion programming.



Robust economic inclusion programs and activities that developed LGBTQI+-specific programming or partnered with LGBTQI+ CBOs were often able to more effectively promote LGBTQI+ economic inclusion.



Community-based interventions that partnered with local or regional governments, along with USAID focal points, appeared to operate more effectively and produce higher participant satisfaction than those that partnered primarily with national governments. This may be due to the expertise and trust-building that results from the proximity of municipal government entities to the local community, as well as the geographic and administrative challenges of coordinating nationwide initiatives.

TRAINING AND CAPACITY STRENGTHENING

Given the experience of discrimination in education, which leads to lower educational attainment for LGBTQI+ people, many activities center on skills acquisition and development, with a particular emphasis on TVET and soft skills. Many also include a specific focus on business and entrepreneurship skills, including financial literacy, business planning and management, and digital and e-commerce skills.

An informant in India described one program that primarily works with transgender persons in the restaurant and hospitality sector. The program both provides training on technical skills for proficient cooks and waiters and offers a broader set of skills development:

“[W]e gave the staff purpose beyond their jobs—people who came to work with us necessarily did not have any proficiency in cooking or serving clients, etc. We had to build them from scratch. These are sector-specific skills, and we had to train them in a relatively shorter period of time to be able to [...]. We had to teach them life skills, how to speak to customers, how to

maintain body hygiene, how to dress up well, etc., and at the same time, sell your products and ensure good customer quality. We started off with that.”⁴⁸

Another program working to address the exclusion transgender persons face in educational settings is La Mocha Celis.⁴⁹ This transgender-inclusive school in Argentina has implemented a 2-week module where students can develop a “life plan” and identify what skills they would need in the labor market in order to follow their plan.

Many KIIs reported a focus on skills related to sectors where many LGBTQI+ people find employment, including hospitality, entertainment, and beauty services. However, some programs that offer skills development sought to reduce bias in the perception of what jobs LGBTQI+ individuals can hold. In Colombia, for example, the Canadian NGO Cuso International implemented a project to counter bias based on gender identity and stereotypical perceptions that transgender people can only be employed in sectors such as the beauty industry.⁵⁰ In another example, in 2017, a local NGO in Mumbai, Humsafar Trust of Mumbai, established India’s first LGBTQI+-led radio taxi service in partnership with a travel agency (Wings Rainbow). LGBTQI+ candidates apply for a learner’s license and complete their driving lessons, while the enterprise trains them in customer etiquette for better end-user experience.⁵¹

While such upskilling programs appear largely consistent across regions, several resources and interviewees emphasized the importance of conducting background research and direct consultation to understand the needs and interests of local communities, current skill levels, market demand, and scalability of these projects.⁵² For example, an organization in Kenya focuses specifically on LGBTQI+ migrants with financial literacy programs:

“[O]ur economic empowerment program is really designed to support [migrants] ... to live a more dignified life if they have sort of an income ... we have the financial literacy trainings to address just money management and planning for future.”⁵³

In some cases, skills-based programs incorporate LGBTQI+ individuals into existing programs for the general population instead of creating standalone programs that exclusively focus on LGBTQI+ persons. In one such program in Benin, LBT women were integrated into a larger program that taught computer programming to women and girls.⁵⁴

⁴⁸ In-person interview with informant 49, India, par. 73–75.

⁴⁹ For more on La Mocha Celis, see <https://mochacelis.org/en/>.

⁵⁰ Cuso International. 2021. *Colombian Project Opens Doors to Better Opportunities for LGBTQI+ Youth*. p. 2. <https://cusointernational.org/stories/colombian-project-opens-doors-to-better-opportunities-for-lgbtqi-youth/>.

⁵¹ Burns, Katya. 2020. *Best Practices Guide on Economic Empowerment for LGBTI Communities*. Amsterdam: COC Netherlands, 11, https://international.coc.nl/wp-content/uploads/2020/10/Best-Practices-Guide_English_201020final.pdf.

⁵² Burns, “Best Practices Guide on Economic Empowerment for LGBTQI Communities,” 7; All Manipur Nupi Maanbi Association et al., “Guidelines for Economic Inclusion of Gender and Sexual Minorities in India Beyond the Corporate World,” 4; Badgett et al., “Identifying Effective Strategies to Improve Livelihoods of LGBTQI People,” 7; ILO, “Inclusion of Lesbian, Gay, Bisexual, Transgender, Intersex and Queer (LGBTIQ+) Persons in the World of Work,” 52.

⁵³ Online interview with informant 33, Kenya, par. 14–15.

⁵⁴ Myria. 2021. “Les Engagements Citoyens Du Mouvement LGBTQI En Afrique de L’ouest Dans Les Luttres de La Justice Sociale.” ISDAO, 10. https://isdao.org/wp-content/uploads/2022/04/MYRIA_FRE_ONLINE.pdf.

CASE STUDY I: LGBTQI+ Economic Inclusion through Capacity Strengthening in Nicaragua

Over the past 15 years, USAID/Nicaragua has invested in developing local NGOs to address the HIV/AIDS epidemic, with many led by LGBTQI+ individuals. At the start of funding, an initial cohort of leaders participated in a 2-year training program to strengthen technical and organizational skills related to community-based public health work. Due to experiences of discrimination and other socio-economic barriers, many of these LGBTQI+ leaders had not completed formal education, so nascent organizations received subsequent funding to support formal education, as well as workshops and short-term courses on computer skills and program management. This initial cohort created a learning platform that served as a virtual school for other community organizations and new staff to draw information on lessons learned and good practices.

As LGBTQI+ leaders became more skilled in various aspects of HIV community health work, including program management, information technology, accounting, advocacy, research, and clinical testing, their respective organizations grew more robust and could apply for more funds to support additional services and workers. In other words, as LGBTQI+ leaders became more technically specialized and experienced, they were able to grow their organizations and become employers of other community members as well. What began as a short-term investment in community-health workers transformed, with sustained support, into a network of LGBTQI+-led organizations that both addressed a broad spectrum of community needs and employed many diverse subgroups within the LGBTQI+ population.

MENTORSHIP, COACHING, AND NETWORKING FOR LGBTQI+ ENTREPRENEURS

A number of KIs described programs to support LGBTQI+ entrepreneurs through mentorship, coaching, and other networking opportunities.

An informant in Peru talked about a project in conjunction with an Embassy that guided LGBTQI+ participants through a short business course on how to start their own companies. Each participant had a coach throughout the process to help design business plans and address any concerns about the business development process.⁵⁵

Another KI in Mexico highlighted a program that supports more established LGBTQI+ entrepreneurs. The program coordinates a network that connects entrepreneurs with global legal and financial advisors, such as the firm EY. Advisors offer guidance not only on foundational topics like developing business plans, but also more specialized areas including branding, tax advisory, and negotiating employee benefits as companies grow.⁵⁶

A related approach is the development of LGBTQI+ Chambers of Commerce. These are part of a global network of chambers of commerce, which continue to grow in low- and middle-income countries in Africa, Asia, and Latin America and the Caribbean.⁵⁷ Chambers of Commerce largely focus on fostering LGBTQI+ economic inclusion within the corporate sector through peer-to-peer engagement. For example, the Queer & Allied Chamber of Commerce Africa works to create an “ecosystem that

⁵⁵ Online interview with informant I, Peru, par. 36–70.

⁵⁶ Online interview with informant 76, Mexico, par. 38–50.

⁵⁷ NGLCC Global, a global program of the U.S. National LGBT Chamber of Commerce, coordinates a network of global chambers of commerce: <https://nglcc.org/our-network/nglcc-global/>.

facilitates and promotes commercial relationships and widen supply chains between queer-owned and/or -operated businesses, entrepreneurs, and their allies in nations throughout Africa.”⁵⁸ The organization builds networks and invests in LGBTQI+-led enterprises. It has been effective in partnering with development agencies by actively engaging focal points across the region and bridging cross-sectoral initiatives through a lens of economic empowerment.

FINANCIAL SUPPORT AND ACCESS TO FINANCIAL TOOLS

Research suggests that financial support for LGBTQI+-led businesses is a recurrent approach to promoting economic inclusion. Related programs direct funding via social enterprises, micro-financing, or impact investing.

In Cambodia, Micro Rainbow operates several programs that provide LGBTQI+ entrepreneurs with access to capital through micro loans, leadership training, and mentorship to overcome financial exclusion and successfully launch small businesses. Micro Rainbow initially manages the loans until they establish that local partners have gained the necessary skills to lead on their own.⁵⁹ Similarly, in Honduras, the Foundation for Rural Business Development and the Global Affairs Canada-funded project Rural Opportunities, worked with LGBTQI+ entrepreneurs in rural areas. LGBTQI+-owned businesses received a financial assessment and access to financial products, such as savings accounts and low-interest loans, to establish their business.⁶⁰

Another model of financial support for LGBTQI+ entrepreneurs is a revolving fund, often referred to as Saving and Lending Groups (SLGs) or Village Savings and Loan Associations, whereby funds are pooled and redistributed to finance enterprises as loans are repaid. In Malawi, one group created a pilot program working with men who have sex with men and people living with HIV to receive training on business and financial management skills along with participating in a savings and loan fund to support each other’s startups:

“... [T]hese individuals were also able to have the loan-revolving fund from their own initiatives, where they can borrow—they could contribute to one pool and allow individuals to borrow and pay the money with the interest. To contribute to those businesses that people want to venture into ...”⁶¹

In some cases, grants and scholarships are necessary to make sure LGBTQI+ workers can access basic skills training. Given the high rates of poverty many LGBTQI+ individuals in Nigeria experience, an informant described a program that provides direct financial support to training programs, enabling LGBTQI+ participants to develop skills in areas such as auto repair and fashion design at no cost.⁶²

⁵⁸ For more on Queer & Allied Chamber of Commerce Africa, see <https://www.qacc.live/>.

⁵⁹ Overcoming Barriers to LGBTQI+ Labor Market Participation – Innovative Programs for Economic Empowerment and Inclusive Growth, 2021, <https://www.marketlinks.org/sites/default/files/media/file/2021-08/Transcript.pdf>.

⁶⁰ In-person interview with informant 26, Honduras, par. 42.

⁶¹ Online interview with informant 6, Malawi, par. 44.

⁶² Online interview with informant 83, Nigeria, par. 60–67.

ADVOCACY AND LEGAL SUPPORT FOR ECONOMIC INCLUSION

Many interviewees underscored the importance of viewing economic inclusion programs and activities through a holistic lens, linking LGBTQI+ economic participation and empowerment to broader access to rights, institutions, and resources, and engaging the private sector in support of these goals.

Consequently, several programs for LGBTQI+ economic inclusion link to larger policy and advocacy agendas. In Guyana, for example, one informant described how their economic inclusion work engaged trade unions and employers as “key stakeholders” who are “very visible in advocacy for decriminalization and nondiscrimination legislation.”⁶³

Relatedly, informants explained the importance of understanding the legal and policy landscape to engage with the private sector on issues of economic inclusion. For instance, an informant in Kenya discussed the importance of seeking legal counsel to facilitate hiring LGBTQI+ individuals without putting their companies or the employees at risk:

“A country like Uganda would be difficult. A country like Kenya, different story altogether. There’s a new association of small-to-medium enterprises that has just been set up. One of the tasks that they have for us is to provide some guidance to their communities, their entire community about this entire space. What do LGBTQ rights look like in the Kenyan environment? What is legal? What is not legal? How can we participate? How can we make the business environment easier for LGBTQ+ people to fully take part in the economy?”⁶⁴

RECRUITMENT AND RETENTION, INCLUDING EMPLOYER SUPPORT

A common activity CSOs led was creating job fairs for both LGBTQI+ entrepreneurs to hire talent and for larger companies to advertise available vacancies to prospective LGBTQI+ applicants.

In Mexico, an organization called Pride Connection has organized eight job fairs. In 2023, more than 120 LGBTQI+-friendly companies participated, advertising more than 3,000 available vacancies.⁶⁵ Another example took place in Côte d’Ivoire. A local organization, Gromo, organized the festival Awawalé, which they described as similar to a Pride event that focused specifically on the “economic autonomy” of LGBTQI+ people. The organization hosted a job fair to promote LGBTQI+ talent and young entrepreneurs in the community, as well as sensitization talks around LGBTQI+ rights.⁶⁶

At some job fairs, organizers included public discussions that addressed societal discrimination against LGBTQI+ people as part of a broader effort to sensitize the business community to LGBTQI+

⁶³ Online interview with informant 10, Guyana, par. 24.

⁶⁴ Online interview with informant 11, Kenya, par. 8.

⁶⁵ Forbes Staff. 2023. “Pride Connection, feria de empleo para la comunidad LGBT+, ofrece más de 3,000 vacantes.” *Forbes México*, November 25. <https://www.forbes.com.mx/pride-connection-la-feria-de-empleo-dirigida-a-la-comunidad-lgbt-ofrece-mas-de-3000-vacantes/>.

⁶⁶ Jeannin, Marine. 2023. “Côte d’Ivoire: Awawalé, un festival sur la situation des personnes LGBT.” *RFI*, May 14. <https://www.rfi.fr/fr/afrique/20230514-c%C3%B4te-d-ivoire-awawal%C3%A9-un-festival-sur-la-situation-des-personnes-lgbt>.

concerns.⁶⁷ Other discussions focused on health disparities among LGBTQI+ people, with particular emphasis on mental health and HIV rates among men who have sex with men and transgender women.⁶⁸

To address hiring, retention, and inclusion of LGBTQI+ people in the workplace, research shows that many companies implement various policies centered on diversity, equity and inclusion.⁶⁹ Some interventions have sought to go further by evaluating the impact of diversity, equity and inclusion strategies in real time. In Colombia, the platform Talento Diverso not only works with candidates to prepare job application materials and apply to an exclusive set of jobs on their website, but also with companies on the platform through a “Good Practices Observatory” to examine how successful these companies were in retaining LGBTQI+ talent and enhancing employees’ experiences in daily work life. Talento Diverso then creates a ranking of companies with the best work environments for LGBTQI+ people.⁷⁰

Respondents described some programs that focus specifically on job placement services and career counseling for various LGBTQI+ subgroups, including youth, transgender persons, migrants, queer women, people with disabilities, Indigenous people, and Afro-descendants.

⁶⁷ Burns, “Best Practices Guide on Economic Empowerment for LGBTQI Communities,” 7.

⁶⁸ Flux México, “Flux México en Instagram,” *Instagram* (blog), November 30, 2023, <https://www.instagram.com/reel/C0SesqIOozY/>; Bonilla Delgado, Lidia Rita. 2022. *Por Salud Mental y Financiera Organizan La 1ra Feria Trans “Amor Por La Creación.”* <https://www.noticiasriogrande.com/nacional/101927>.

⁶⁹ IFCE. 2022. *Inclusive Banking: Emerging Practices to Advance the Economic Inclusion of LGBTQI People*. Washington, D.C.: IFC. <https://www.ifc.org/content/dam/ifc/doc/mgrt/202203-inclusive-banking-for-LGBTQI-people.pdf>; ILO “Inclusion of Lesbian, Gay, Bisexual, Transgender, Intersex and Queer (LGBTQIQ+) Persons in the World of Work”; ILO Gender Equality and Diversity Branch. 2015. *Discrimination at Work on the Basis of Sexual Orientation and Gender Identity: Results of the ILO’s PRIDE Project*. Briefing note. US: ILO. http://www.ilo.org/gender/Informationresources/Publications/WCMS_368962/lang--en/index.htm; UNDP and ILO, “LGBTQI People and Employment.”

⁷⁰ Ferro Vásquez, Jaime. 2019. *Capacitación para la inclusión de las personas LGBT en empresas del sector privado*. Bachelor’s Thesis. Bogotá: Universidad Católica de Colombia, 40. <https://repository.ucatolica.edu.co/server/api/core/bitstreams/b59ddc6a-2f3b-497c-8552-ec499be920d8/content>.

CASE STUDY 2: Creating Private Sector Jobs for Transgender Persons in India

In India, PeriFerry is an “impact enterprise” that focuses on strengthening economic inclusion of transgender persons through job placement and upskilling programs that facilitate financial independence and greater acceptance in society. Through its REVIVE program, PeriFerry provides a 2-month residential training program where participants learn “everything that is required for a person to get into a corporate job,” as well as life skills that foster success beyond the program. REVIVE also provides financial and technical support to companies, helping them to evaluate the extent to which they are inclusive and monitor employees’ success after hire. Since 2017, PeriFerry has placed more than 500 transgender persons into jobs. As one informant explained:

“Everything from stay, food, everything, is taken care of, taken care by PeriFerry. Everything is free of cost provided to the community. Then, by the end of the training program, we host a job fair. There are online interviews and in-person interviews through which their placements are done in different corporate companies depending on their area of interest, what role is suitable for them. We look out for everything before placing them into the job so that they stay in that job for a longer period of time. We make sure that they are comfortable with the role, the salary package that is offered, they’re okay with relocation, and all the things like that. This helps in getting financially independent. Also, we make sure that the company is inclusive, so we take regular feedbacks. They are getting acceptance and everything, which will help them stay in their job.”⁷¹

TAX AND ECONOMIC INCENTIVES

In a few cases, governments have made efforts to promote economic inclusion of LGBTQI+ persons through economic incentives. In two cases, in Bangladesh and Uruguay, legislation not only prohibits discrimination against non-dominant sexual and/or gender groups in the labor market, but also provides tax incentives for hiring LGBTQI+ individuals. Uruguay’s *Comprehensive Law for Transgender People* creates quotas (1%) for transgender people in the public sector and creates tax incentives for private-sector employers to hire transgender job applicants.⁷² In Bangladesh, in 2021–2022, the Finance Ministry enacted a special tax incentive for companies that hire transgender people. Companies received either a 5-percent tax rebate or a refund of 75 percent of transgender employees’ salaries if 10 percent of their total workforce belonged to the hijra or “third gender” population.⁷³

In Brazil, the federal government implemented a 2024 *National Strategy for the Promotion of Decent Work for LGBTQIA+ People*, which aims to promote the inclusion of LGBTQI+ individuals in the workforce through a comprehensive plan funded through public–private partnerships.⁷⁴ For companies to receive economic incentives, they must establish job vacancies for LGBTQI+ applicants and partner with other stakeholders, such as community organizations, to develop programs that promote economic inclusion.

⁷¹ In-person interview with informant 68, India, par. 49–53.

⁷² Arzinos, John, Christian De La Medina Soto, and Clifton Cortez. 2021. *Equality of Opportunity for Sexual and Gender Minorities*. The World Bank, 57, <https://doi.org/10.1596/978-1-4648-1774-8>.

⁷³ DPA. 2021. “Tax Rebate for Bangladesh Companies Hiring Transgender People.” *Al Jazeera*, June 4. <https://www.aljazeera.com/news/2021/6/4/tax-rebate-for-bangladesh-companies-hiring-transgender-people>.

⁷⁴ Agência Gov. 2024. “Governo Federal institui Estratégia Nacional de Trabalho Digno, Educação e Geração de Renda para Pessoas LGBTQIA+,” *Notícia, Agência Gov*, February 29. <https://agenciagov.ebc.com.br/noticias/202402/estrategia-nacional-de-trabalho-digno-educacao-e-geracao-de-renda-para-pessoas-lgbtqia-e-instituida>.

The initiative focuses on Black transgender people who are 18 years or older, regardless of income level, and the government will monitor the pilot program for a year.⁷⁵

COMMUNITY-BASED INITIATIVES

Several KIs described community-based, often informal initiatives that grew directly from community needs, many times without any external funding or support. KIs in Africa, Asia, and Latin America identified such initiatives, which promoted economic development and fostered social cohesion. Some of these initiatives have expanded to partner with local governments and development projects to take positive programs to scale.

For example, a group of transgender Afro-descendant women in Honduras partnered with women from the community to conduct financial literacy workshops to strengthen their capacity to run small home businesses.⁷⁶ Similarly, a group of transgender people in India started a community kitchen and food distribution business after giving away food to vulnerable Sikh communities during the COVID-19 pandemic.

“[The] transgender community always think[s] that they don’t get a lot of jobs, and they don’t have a lot of [the] corporate sector on their side. We have to do something. How do we do it? So, thinking about this, I came up with the COVID-19 pandemic solution. At the time of COVID-19, we were distributing food to the Sikh community for free. We have seen the community, that at that time, the community was very interested, and they were working. So, we thought that if we could start this kitchen, and along with this, we could start a food catering business. Because on our site, there is a caterer business run by men, and now women are also doing it. So, why can’t we transgender people do it? Thinking about this, we started a catering business. If we make food varieties, then people will have more interest in it. Because if we do something else, then there will have [been] problem[s] because of the community. People will not buy from us. But food is such a thing that in eating or selling, and will get instant money, which the community can empower itself. So, thinking about this, we started this work and program, community kitchen.”⁷⁷

Although often conceived as stop-gap measures, these community-based initiatives can, over time, grow into more robust and formal programs. In India, for example, USAID leveraged local self-help groups to partner with the Water, Sanitation, and Hygiene (WASH) Institute, the Odisha state government, and the Odisha water academy to train the groups in more than 1,000 cities and towns on the operation and management of fecal sludge treatment plants. During the COVID-19 pandemic, many of these local groups began to directly serve transgender persons, who were prevented from working during lockdowns. In August 2021, USAID trained more than 30 members of a transgender self-help group to develop their leadership and technical skills in fecal sludge treatment, disposal of treated wastewater, refuse sludge for agriculture, and monitoring of the quantity and quality of effluent. These efforts improved the perception of transgender people within the community, built social cohesion, and

⁷⁵ Imprensa DOU Brasil. 2024. PORTARIA No 88, DE 27 DE FEVEREIRO DE 2024. <https://www.in.gov.br/web/dou/-/portaria-n-88-de-27-de-fevereiro-de-2024-545418500>.

⁷⁶ In-person interview with informant 101, Honduras, par. 19–21.

⁷⁷ In-person interview with informant 80, India, par. 62–66.

improved participants' personal sense of self-worth. The training also helped participants secure jobs with monthly salaries of approximately 14,000 to 15,000 INR (\$177–\$189).⁷⁸

RESEARCH AND DATA COLLECTION

Informants frequently noted the importance of research and data to inform their work to promote economic inclusion of LGBTQI+ persons, including inclusive development analyses, gender analyses, needs assessments, community mappings, and surveys.

In Serbia, a KII underscored the critical role of data in identifying the community needs their organization targeted through various projects:

“Basically, everything is based on the needs of the community. We did a huge assessment and had the most-answered survey from the community. We presented the findings to various stakeholders. We have a separate section of the research that focuses on employment and discrimination in the workplace. Based on those needs, we provide services for the community and target specific companies that our community members want to work with.”⁷⁹

As discussed further in the next section, many KIIs conveyed the importance of research and data and called for additional capacity and support to further build the knowledge base for effective economic empowerment of LGBTQI+ people.

RECOMMENDATIONS

To promote economic inclusion of LGBTQI+ persons in development programming, IDAMS proposes the following recommendations. These recommendations follow directly from insights gleaned through desk research and during the KIIs. Recommendations are organized by the main entity that should implement them, although many would require collaboration across multiple actors. IDAMS addresses most of the recommendations to USAID Missions and IPs because practitioners need to understand unique contexts, including barriers and opportunities, because not all approaches will be relevant or viable in each country or context.

USAID/WASHINGTON

I. INCREASE AND BROADEN FUNDING FOR LGBTQI+ ECONOMIC DEVELOPMENT PROGRAMMING.

Barrier Addressed: *Organizational and Programmatic Challenges*

According to key informants and desk research, current funding focusing on LGBTQI+ people and communities often remains concentrated in specific sectors, such as health (particularly HIV/AIDS), and fails to address the systemic and structural barriers contributing to economic exclusion. Key informants also identified limited overall amounts of funding allocated specifically for LGBTQI+ economic empowerment programs.

⁷⁸ USAID Water Team. 2022. *Inclusive Development in India: USAID Partners with Local Transgender Community on WASH*. <https://medium.com/usaiddigital-waters/inclusive-development-in-india-usaid-partners-with-local-transgender-community-on-wash-ba8d32b8db29>. This salary is slightly below the per capita GDP for India of \$2,484 per year.

⁷⁹ In-person interview with informant 92, Serbia, par. 22–23.

USAID leadership, Global Bureaus, and OUs should consider increasing and diversifying their funding for LGBTQI+ economic empowerment initiatives to address critical resource shortages and capacity challenges that hinder long-term, effective programming. Expanding funding to LGBTQI+-supporting initiatives and organizations to address interrelated issues—such as education, skills development, job placement, stigma reduction, and community building—would enable comprehensive, scalable programs that meet multiple needs of LGBTQI+ individuals. Additionally, to drive sustainable change, USAID could consider allocating resources to empower CSOs to provide a continuum of support, including programs with individuals in addition to advocacy with governments and engagement with the private sector.

By broadening funding streams and promoting holistic approaches, USAID can make sure programs are better equipped to address root causes of economic exclusion and foster meaningful inclusion. This could be operationalized through USAID’s economic empowerment mechanisms, such as the Private Sector Collaboration Pathway, another Annual Program Statement, Feed the Future activities, or other USAID mechanisms.

2. INCREASE FUNDING FOR RESEARCH AND DATA COLLECTION ON LGBTQI+ ECONOMIC INCLUSION.

Barrier Addressed: Limited SOGIESC Data

KIIs described the critical role data play in designing and implementing effective economic empowerment programming and identified gaps in the existing evidence base. USAID global and Regional Bureaus, possibly through existing contracts, could allocate funding for specific research to build on the findings and recommendations of this guidance as well as contextualize and strengthen IPs’ capacity in monitoring, evaluation, research, and learning approaches. USAID Missions could also include additional funding for targeted research and training into ongoing economic growth activities or Monitoring, Evaluation, Collaboration, Learning, and Accountability platforms to make sure rigorous data and evidence inform programming. Researchers should use “Do No Harm” approaches, particularly in countries where LGBTQI+ people and communities are criminalized and face threats to their safety and security.

USAID MISSIONS AND REGIONAL BUREAUS

I. LEVERAGE AND STRENGTHEN PRIVATE-SECTOR ALLIANCES THAT PROMOTE LGBTQI+-INCLUSIVE ECONOMIC DEVELOPMENT.

Barrier Addressed: Societal Discrimination and Stigma, Barriers to Financial Services

Key informants identified LGBTQI+-friendly alliances that promote economic inclusion of LGBTQI+ persons at scale. These included: manufacturer alliances (all regions); banking alliances (Africa); county and municipal governments (Africa and Latin America and the Caribbean); government employment offices that provide a range of services, from direct internships to low-interest loans (Asia and Latin America and the Caribbean); business councils (all regions); and IT companies that can integrate LGBTQI+ companies into their supply chains or to which they can outsource digital services (Asia and Europe and Eurasia, although likely applicable across regions).

USAID Missions and Regional Bureaus should consider identifying these networks, build relationships with them, and link existing and new USAID-supported programs to them to leverage their strengths and enhance the capacity and influence of these initiatives. This could potentially help to support scaling of USAID-supported work on LGBTQI+ economic inclusion and empowerment.

2. INCREASE COORDINATION WITH OTHER DEVELOPMENT AGENCIES WORKING ON LGBTQI+ ECONOMIC EMPOWERMENT.

Barrier Addressed: Organizational and Programmatic Challenges

Key informants reported that, in some cases, goals and mechanisms for USAID programming could be better aligned with preexisting projects and funding from other development agencies to complement ongoing projects, share learning, build the evidence base, and make sure there are no competing or contradictory objectives. USAID Missions could improve collaboration with other development agencies through shared learning and knowledge management platforms such as communities of practice (CoPs) to build evidence and harmonize approaches. USAID Regional and Global Bureaus could support this for all multi-country initiatives and networks and to build evidence across countries.

3. CONDUCT GENDER AND INCLUSIVE DEVELOPMENT ANALYSES THAT ASSESS BARRIERS FOR LGBTQI+ PEOPLE AND MAKE ACTIONABLE PROGRAMMATIC RECOMMENDATIONS, PARTICULARLY AT THE ACTIVITY LEVEL.

Barriers Addressed: Societal Stigma and Discrimination; Legal Environment; Violence and Safety; Barriers to Financial Services; Specific Barriers Facing Transgender Persons; Organizational and Programmatic Challenges; Limited SOGIESC Data

Key informants repeatedly requested that development actors understand the barriers LGBTQI+ people and communities face. The USAID's *Youth Policy*, *Gender Equality and Women's Empowerment Policy*, *Disability Policy: Nothing Without Us*, *Rule of Law Policy*, and other ID documents all reference LGBTQI+ persons (among others). USAID conducts gender analyses at the strategic and Activity levels and increasingly uses Inclusive Development Analyses (IDAs) to understand barriers across the six domains of marginalization to the full inclusion of marginalized groups, including LGBTQI+ persons identified in the ID Hub's *Guide to Inclusive Development Analysis*. Gender and Inclusive Development Analyses can tailor objectives and approaches to study marginalized groups and then make recommendations to enhance inclusion in development.⁸⁰

USAID Missions, Global and Regional Bureaus, IPs, or specialized entities could design IDAs at the Activity level that specifically assess the situation of LGBTQI+ people and make programmatic recommendations for their inclusion. These recommendations can address barriers across the six domains of marginalization, include insights from relevant, successful economic empowerment programs, and suggest appropriate program strategies for the local context. See *Annex 2* for ideas of on how to approach these analyses.

4. CONSULT LOCAL LGBTQI+-LED GROUPS AND PARTNERS TO ENSURE PROGRAM RELEVANCE AND NEEDS-BASED DESIGN.

Barriers Addressed: Societal Stigma and Discrimination; Legal Environment; Violence and Safety; Barriers to Financial Services; Specific Barriers Facing Transgender Persons; Organizational and Programmatic Challenges; Limited SOGIESC Data

⁸⁰ For an example of LGBTQI+ IDA on economic empowerment in Timor Leste, see https://pdf.usaid.gov/pdf_docs/PA021KDH.pdf. For more on how to conduct Inclusive Development Analyses, see <https://www.usaid.gov/inclusivedevelopment/guide-inclusive-development-analysis>.

Key informants repeatedly noted the need for USAID and other donors to have a deep understanding of the needs and aspirations of LGBTQI+ people. As one interviewee from India remarked,

“[B]efore any programs are created, they should be discussed with the community; only then will they be successful and meet the needs of the community.”⁸¹

In line with the USAID’s *LGBTQI+ Inclusive Development Policy*, USAID Missions and IPs should follow the lead of local LGBTQI+ CBOs and act in allyship to gather more information prior to Activity design from stakeholders including, as possible, LGBTQI+ serving organizations and LGBTQI+ people. This can improve program design to enhance chances that Activities do no harm, respond to interests of LGBTQI+ people and communities, and address the true gaps. It could include addressing common LGBTQI+-specific barriers to economic empowerment such as discrimination in access to financial services, discrimination in hiring, and lack of skills development, as well as other barriers that contribute to economic exclusion. Furthermore, designing and implementing effective programs for LGBTQI+ economic empowerment requires trust, and LGBTQI+-led CBOs are typically best positioned to foster that trust, identify participants, and make sure programs align with community needs.

5. DESIGN PROGRAMS THAT TAKE INTO CONSIDERATION THE COMPOUNDED MARGINALIZATIONS LGBTQI+ PERSONS FACE AND THE INTERDEPENDENCE OF ECONOMIC EMPOWERMENT AND OTHER DEVELOPMENT NEEDS AND SECTORS (E.G., GENDER, YOUTH, MIGRATION, AGRICULTURE).

Barriers Addressed: Societal Stigma and Discrimination; Legal Environment; Violence and Safety; Organization and Programmatic Challenges

KIIs repeatedly noted the importance of recognizing the multiple and intersecting challenges LGBTQI+ persons face, which directly or indirectly affect their economic empowerment and well-being. LGBTQI+ people who may also be, for example, part of a non-dominant ethnic group, live in a rural area, and/or have a disability face compounded marginalizations. An example is that a migration lens on the development process brings important implications for LGBTQI+ inclusion: Different migratory patterns (internal in many Asian countries, international in many Latin American and Caribbean countries) require different programmatic interventions to fully economically integrate LGBTQI+ migrants into national or international economies. Another example is the criminalization of LGBTQI+ people in dozens of countries.

USAID Missions should understand barriers LGBTQI+ people deal with in access to basic services, their own safety and protection, and economic empowerment. IDAs can provide important insights that Missions and IPs can operationalize by harmonizing programming to design effective economic empowerment Activities and increase collaboration on LGBTQI+ inclusion across other USAID program sectors. USAID Missions could also pay specific attention to opportunities for positive “spillover” impact from non-economic development programs. For example, in Tolima, Colombia, the USAID Land for Prosperity Activity supports the Government of Colombia’s Rural Property and Land Administration Plan—a land title formalization initiative that supports same-sex couples to overcome barriers to property ownership. While access to land title is a legal action, it also affords LGBTQI+ participants a greater degree of economic stability, which can provide a foundation for building assets and accessing capital to grow businesses.⁸²

⁸¹ In-person interview with informant 73, India, par. 153.

⁸² SEE [HTTPS://WWW.LAND-LINKS.ORG/2024/06/THE-WORLD-IS-DRESSING-UP-IN-DIVERSITY/](https://www.land-links.org/2024/06/the-world-is-dressing-up-in-diversity/).

6. CONSIDER THE VIABILITY OF A CROSS-CUTTING, HOLISTIC APPROACH TO ACTIVITIES THAT COVER LONGER PROGRAM CYCLES.

Barriers Addressed: Societal Stigma and Discrimination; Legal Environment; Violence and Safety; Barriers to Financial Services; Specific Barriers Facing Transgender Persons; Organizational and Programmatic Challenges

Kills often described the most effective programs as those that made sustained investments in LGBTQI+ individuals and organizations and maintained flexibility to include a variety of interventions. Many of these programs tracked outputs and progress over time.

USAID Missions could consider designing Activities with longer program cycles, which would also allow for in-depth assessments, building trust with LGBTQI+ communities, successful provision of diverse capacity and asset building programs with LGBTQI+ people, alliance building with key private-sector partners, and policy advocacy on economic inclusion. These programs could address multiple issues that hinder LGBTQI+ economic empowerment similar to USAID approaches to positive youth development or resilience. Approaches could include life-planning, self-confidence, psychosocial support, remedial education, skills training, access to financial services, and coaching and mentoring. Additionally, USAID Missions should consider including economic empowerment approaches in all LGBTQI+-focused programs and explicitly identifying LGBTQI+ people as populations of interest for inclusion in broader economic growth activities and programs.

7. MAKE SURE LOCAL LGBTQI+-LED ORGANIZATIONS ARE EQUAL PARTNERS IN IMPLEMENTING ECONOMIC EMPOWERMENT ACTIVITIES.

Barriers Addressed: Societal Stigma and Discrimination; Legal Environment; Violence and Safety; Specific Barriers Facing Transgender Persons; Organizational and Programmatic Challenges

Key informants reported that some LGBTQI+-led or serving organizations are uniquely positioned to implement LGBTQI+-inclusive economic empowerment programs. They also noted that, in some cases, CSOs implementing LGBTQI+ economic inclusion programs have not received funding or are not historically considered for USAID funding, but nevertheless provide critical training and services. An organization from Honduras explained that the umbrella system could limit who has recognition and access to funding as well as increase tensions among the LGBTQI+ people and organizations by creating a hierarchy of funding that further marginalizes some subgroups.⁸³

USAID Missions and Regional Bureaus could design Activities with explicit targets for local partner identification and support. This could be operationalized through the New Partnerships Initiative (NPI), with mentorship from existing IPs and capacity strengthening consistent with USAID's Non-U.S. Organization Pre-Award Survey and other assessment tools.⁸⁴ In line with USAID's localization objectives and the NPI, USAID Missions, through IPs, could also establish specific grants mechanisms below contracting thresholds within larger economic development or democracy, human rights, and governance programs to support LGBTQI+-led or -serving organizations that work on economic empowerment.

⁸³ In-person interview with informant I6, Honduras, par. 117.

⁸⁴ For more on NPI, see <https://www.usaid.gov/NPI>.

8. IDENTIFY SPECIALIZED PARTNERS OUTSIDE OF OPENLY IDENTIFIABLE LGBTQI+-SERVING ORGANIZATIONS TO IMPLEMENT GOOD PRACTICES IDENTIFIED IN THIS STUDY.

Barrier Addressed: Organizational and Programmatic Challenges

Desk research and ample evidence from USAID economic growth programs identify good practices specialized USAID IPs and partners implement. IPs with expertise in economic empowerment, but that do not specifically or exclusively work on LGBTQI+ issues, have the capacity, experience, and expertise to integrate many promising practices to promote LGBTQI+ economic inclusion in their programs and interventions. However, these IPs must understand barriers to and opportunities for economic empowerment among LGBTQI+ people. They must also build trust with LGBTQI+ people and communities to responsibly and effectively deliver programs for LGBTQI+ persons.

USAID Missions could encourage IPs to explicitly include LGBTQI+ people in broader economic empowerment programs and recommend IPs carry out participatory, root-cause assessments to match LGBTQI+ people's aspirations and interests with market demand in employment and entrepreneurship. IPs should also strengthen their capacity to work effectively with LGBTQI+ people, communities, and institutions. This could include actions such as diversifying their own staffing; building awareness of specific barriers LGBTQI+ people face; reducing stigma among staff, partners, and stakeholders; and expanding partnerships, including those with trusted LGBTQI+-serving organizations, particularly those that may have implemented or supported economic empowerment activities.

9. SUPPORT USAID IPs AND CSOs TO ADDRESS POLITICAL, SOCIAL, AND CULTURAL BARRIERS HINDERING LGBTQI+ INCLUSION.

Barriers Addressed: Societal Stigma and Discrimination; Legal Environment; Violence and Safety; Barriers to Financial Services; Specific Barriers Facing Transgender Persons

KIIs reported on the broad and enduring impact that interconnecting forms of exclusion have on the ability of LGBTQI+ people to fully participate economically. These include criminalization in many countries, discrimination, stigma, their exclusion from social safety nets (where they exist), poor workforce protections, and limited participation in electoral politics. As many KIIs asserted, full economic inclusion of LGBTQI+ persons requires that these legal, regulatory, social, and cultural barriers to societal and economic participation be addressed. A Serbian CSO representative remarked:

“[M]y recommendation is to never separate economic, social, and cultural rights from civil and political rights. They are interconnected, like one body. You can't have economic independence or social rights without addressing civil and political rights. Justice is also very important, and USAID has the capacity to work on these issues in every country.”⁸⁵

In response and as possible given legal and cultural contexts, USAID Missions could collaborate with local experts, IPs, local civil society, and other aligned stakeholders including private-sector actors to address diverse barriers and support targeted public education or research on LGBTQI+ inclusion. Actions would necessarily take into consideration the local context and prioritize “Do No Harm.”

⁸⁵ In-person interview with informant, Serbia, par. 61–63.

10. WHERE CONDITIONS EXIST TO DO SO SAFELY, PROGRAMS SHOULD WORK TO ENSURE INCLUSION OF THE HISTORICALLY MARGINALIZED SUBGROUPS.

Barriers Addressed: Societal Stigma and Discrimination; Legal Environment; Violence and Safety; Specific Barriers Facing Transgender Persons; Organizational and Programmatic Challenges

Key informants identified specific subgroups that face more intense marginalization. When conditions exist and “Do No Harm” principles can be followed, USAID Missions should design Activities and programs that target the most marginalized subgroups, such as intersex people, transgender people, and LGB people with other marginalized identities such as disabilities. Activities/programs that target these groups should apply the other recommendations in this report to understand the specific gaps in inclusion and include equity-focused strategies to overcome them.

IPs AND CSOs

1. SUPPORT LOCAL ORGANIZATIONS AND NETWORKS THAT WORK TO REDUCE BARRIERS TO ECONOMIC INCLUSION.

Barriers Addressed: Societal Stigma and Discrimination; Legal Environment; Violence and Safety; Barriers to Financial Services; Specific Barriers Facing Transgender Persons

KIIs reported that local CSOs work in many countries to address structural and underlying barriers that prevent the economic inclusion of LGBTQI+ persons. To bolster the efficacy of economic empowerment programming and ensure ID approaches, USAID Missions could, when conditions exist, support local organizations and any relevant private-sector networks that advocate for reducing barriers to LGBTQI+ economic inclusion. This could include providing advocates and organizations that advocate more generally for inclusion with specific tools, knowledge, and strategies for advocating for LGBTQI+ people’s economic inclusion, creating or strengthening advocacy networks, or providing additional support for those organizations that already successfully advocate on this topic. A tactic may be to include advocacy components into broader economic development or democracy, human rights, and governance programs.

2. SUPPORT SOGIESC DATA COLLECTION.

Barriers Addressed: Organizational and Programmatic Challenges; Limited SOGIESC Data

As previously noted, high-quality, disaggregated data on SOGIESC are largely unavailable in many developing country contexts. KIIs reported that up-to-date data assessing the nature and impact of LGBTQI+ economic inclusion activities are necessary to secure an inclusive approach to development. Where it is safe to do so and participants consent, USAID could encourage IPs to collect and disaggregate SOGIESC data while instituting norms around privacy and security that support safe and ethical data collection to strengthen monitoring and evaluation efforts and the knowledge base.

Activity-level learning agendas could include relevant questions around LGBTQI+ inclusion, and collaborating, learning, and adapting activities should reflect on and respond to any barriers documented or effective practices developed during the Activity’s implementation.

3. DEVELOP LEARNING AGENDA QUESTIONS THAT EXAMINE THE EXTENT OF INCLUSION OF LGBTQI+ PERSONS.

Barriers Addressed: Organizational and Programmatic Challenges; Limited SOGIESC Data

Key informants reported that they derived a number of innovative approaches to LGBTQI+ economic inclusion based on informal exchanges with other in-country CSOs, and even through cross-fertilization across movements. USAID Missions could encourage IPs to include in existing and future Activity-level learning agendas identifying and exchanging insights about good practices.

4. CREATE CoPs THAT ENCOURAGE LGBTQI+ INCLUSION.

Barriers Addressed: Organizational and Programmatic Challenges; Limited SOGIESC Data

This guidance identified fragmented knowledge and the absence of information-sharing mechanisms as constraints to LGBTQI+ economic empowerment. USAID Global Bureaus and Missions could create or support the development of platforms for sharing experiences and best practices among partners or add this topic to existing CoPs.

The global LGBTQI+ Inclusive Development Community of Practice (LGBTQI+ CoP) was recently launched and aims to operationalize USAID's *LGBTQI+ Inclusive Development Policy* through specific and actionable interventions. It also strives to create a platform for regular convenings among international development practitioners, policymakers, and researchers; establish a set of standards for interventions; and share knowledge and best practices regarding LGBTQI+-inclusive development outcomes.

The LGBTQI+ CoP should identify specific experiences in LGBTQI+ economic empowerment programs to disseminate.⁸⁶ In addition, appropriate CoP or similar mechanisms may exist in countries or regions and USAID, IPs, and LGBTQI+-led and serving CSOs can leverage them to share information.

⁸⁶ For more on the LGBTQI+ CoP, see: https://www.linkedin.com/posts/dai_dai-is-proud-to-co-found-the-newly-established-activity-7229411544151867392-9hnx/.

CONCLUSION

This sectoral guidance highlights the urgency of integrating LGBTQI+ communities into economic growth programming to address systemic barriers and unlock their economic potential. By fostering inclusion, USAID and its partners can promote not only individual empowerment but also broader economic and societal benefits.

The findings identify promising approaches and emphasize the critical role of collaboration across actors, from USAID/Washington and Missions to IPs and CSOs. Tailored strategies that address local contexts and engage LGBTQI+ stakeholders are essential for effective program design and implementation.

With sustained commitment and investment, USAID can drive meaningful change, making sure LGBTQI+ individuals and communities can participate fully and equitably in economic systems. This effort will support USAID's broader goals of inclusive development and the achievement of sustainable economic growth in partner countries.

ANNEX I. POLICIES PROMOTING LGBTQI+ INCLUSION

THE SUSTAINABLE DEVELOPMENT GOALS

In 2015, the United Nations General Assembly adopted the 2030 Agenda for Sustainable Development, a framework comprising 17 Sustainable Development Goals (SDGs) and 169 targets that apply to all countries. The SDGs address a range of social, economic, and environmental challenges that are central to the full realization of human potential. A core principle of the SDGs is a pledge to “leave no one behind,” which has been interpreted to mean the inclusion of marginalized groups including LGBTQI+ persons.⁸⁷ Several SDGs specifically address the importance of inclusive approaches to economic development programming and interventions, including Gender Equality (Goal 5), Decent Work and Economic Growth (Goal 8), Reduced Inequality (Goals 10), and Peace, Justice, and Strong Institutions (Goal 16).

THE YOGYAKARTA PRINCIPLES AND THE YP+10

The Yogyakarta Principles and the YP+10 are a set of guidelines on the application of international human rights laws in relation to sexual orientation, gender identity, gender expression, and sex characteristics. They do not create new rights but rather articulate how existing international legal obligations apply to the rights of LGBTQI+ persons. Several principles underscore the relationship between LGBTQI+ inclusion and economic development:

- Principle 12 highlights the right to work and outlines obligations for states to eliminate discrimination in employment and ensure equal access to economic opportunities for LGBTQI+ individuals.
- Principle 13 examines the right to freedom from poverty and social exclusion, urging states to address poverty and systemic exclusion by ensuring access to social security, basic services, and support programs.
- Principle 15 highlights the right to adequate housing, which is integral to economic stability, especially for marginalized groups that are often excluded from formal housing markets.
- Principle 16 highlights the right to education and how access to education without discrimination is foundational for individuals to acquire skills necessary for economic participation.
- Principle 25 highlights the right to participation in public life—LGBTQI+ individuals should have the opportunity to engage in policy and decision-making processes that affect economic and social development.
- Principle 34 highlights the right to protection from poverty, directly calling on states to promote economic and social inclusion that aims to reduce all forms of poverty associated with or exacerbated by SOGIESC.

⁸⁷ See generally: Park, Andrew and Lucas Mendos. 2018. Guiding Principles on the Inclusion of Lesbian, Gay, Bisexual, Transgender, and Intersex (LGBTI) People in Development Policy and Programs. RFSL. https://www.rfsl.se/wp-content/uploads/2018/11/RFSL_Guiding-Principles_final_digital.pdf.

USAID LGBTQI+ INCLUSIVE DEVELOPMENT POLICY

In 2023, USAID adopted the *LGBTQI+ Inclusive Development Policy* (“the Policy”), which updated and replaced the 2014 *USAID LGBT 2014 Vision for Action*.⁸⁸ The Policy “reiterates, guides, and reinforces USAID’s commitment to championing LGBTQI+ inclusive development and the human rights of LGBTQI+ people as part of a coordinated, whole-of-U.S. government effort” in conjunction with local partners and program participants. The Policy established four goals for USAID programming and development assistance: (1) lead through development diplomacy, (2) drive evidence-based policies and approaches, (3) accelerate locally led programming, and (4) improve crisis response through inclusion.

To achieve these goals, the Policy sets out five principles that define USAID’s approach to inclusive development.

1. **Be proactive while continuing to uphold the principle of “Do No Harm.”** Paramount to all LGBTQI+ inclusive development programs is the safety and security of persons and organizations. Importantly, “Do No Harm” should not be employed as an excuse to do nothing or to short-circuit or avoid programmatic engagement on LGBTQI+ inclusive development. Instead, USAID staff should be proactive and implement intentional efforts to reach and include LGBTQI+ individuals in programming.
2. **Follow the lead of local LGBTQI+ activists and groups and act with humility and in allyship.** A central tenet of LGBTQI+ inclusion is “Nothing About Us Without Us.” This recognizes the imperative for meaningful involvement from and genuine engagement and consultation with local LGBTQI+-led organizations, individuals, and communities throughout the Program Cycle. It is critical that when designing activities to reach LGBTQI+ people, USAID and implementing partner staff recognize that LGBTQI+-led organizations are most likely to be successful.
3. **See the full person and work to meet diverse needs.** SOGIESC is only one component of an individual’s identity, and effective analysis, engagement, programming, and policy will recognize that people’s identities are never solely confined to their SOGIESC but rather require a diversity of objectives and employ an intersectional lens to programming.
4. **Understand the landscape, history, stakeholders, and what has worked.** To contribute responsibly to local LGBTQI+ organizations’ efforts, USAID and its partners must understand the historical landscape of existing institutions and stakeholders; previous and ongoing efforts to support the community; and the historical legacies, laws, policies, practices, and norms that shape an LGBTQI+ person’s experience.
5. **Recognize the need for targeting, tailoring, and differentiating LGBTQI+ programs and that one size does not fit all.** LGBTQI+ people have many of the same needs as the general population in areas that include employment/livelihoods, political participation, and access to education, health care, justice, housing, land, and property. Yet, stigma and discrimination create additional barriers for LGBTQI+ people. Consequently, both integrated and standalone approaches are necessary.

⁸⁸ The full policy is available here: https://www.usaid.gov/sites/default/files/2023-07/USAID_LGBTQI-Inclusive-Development-Policy_August-2023_1.pdf

ANNEX 2. GUIDANCE FOR CONDUCTING COUNTRY-SPECIFIC RESEARCH ON LGBTQI+ ECONOMIC INCLUSION

As noted, country-specific research to assess the enabling and legal environments are critical to understanding the feasibility and potential for specific LGBTQI+ economic development interventions in each USAID partner country. To ensure a thoughtful and organized implementation of the recommendations outlined in this document, USAID should adopt a “Do No Harm” approach that tailors Activities to the specific enabling environment in each partner country. The following steps outline a process for advancing LGBTQI+ inclusion in ways that promote economic growth while being sensitive to local contexts:

1. ASSESS THE ENABLING ENVIRONMENT AND REGULATORY FRAMEWORK

USAID/Washington should begin by assessing the legal, social, and economic environment in each partner country. Tools such as the ILGA World Maps (<https://ilga.org/ilga-world-maps>) and the F&M Global Barometers (<https://www.fandmglobalbarometers.org/>) can provide a foundational understanding of the legal landscape that affects LGBTQI+ people. USAID could also conduct in-depth analyses to identify:

- How laws and policies affect LGBTQI+ individuals’ ability to secure employment, start businesses, or access services
- The challenges organizations that serve LGBTQI+ people and communities with a particular emphasis on those that promote economic development face
- The local economic benefits of LGBTQI+ inclusion, such as increased entrepreneurial activity, job creation, and contributions to economic growth

2. DEVELOP AN INCLUSIVITY SPECTRUM FRAMEWORK

USAID/Washington could develop a spectrum to categorize partner countries based on the inclusivity of their enabling environment—ranging from exclusionary to transformative. Tools like the Gender Integration Marker⁸⁹ and the Gender Equality Mainstreaming Framework⁹⁰ focus specifically on assessing gender inclusivity within organizations and companies but can be used as examples to build on to develop a country-level measurement tool for the economic inclusion of persons with marginalized identities or specifically LGBTQI+ people.

- Use the spectrum to identify which recommendations from this document are the most appropriate for each category of inclusivity and determine which examples of successful activities mentioned in this guidance can be effectively applied to the local context.
- Align resources, initiatives, and activities to the specific needs and conditions of each stage on the spectrum. Consider additional strategies that support countries in advancing along the spectrum toward a more inclusive enabling environment. Focus on sustainable, incremental progress that strengthens local capacity, promotes social cohesion, and advances economic inclusion for LGBTQI+ individuals and communities.

⁸⁹ <https://www.gatesgenderequalitytoolbox.org/gender-integration-marker/>

⁹⁰ <https://www.meda.org/what-we-do/gender-equality-and-social-inclusion/the-gem-framework/>

- Once the inclusivity spectrum is established and activities are aligned to each stage, Missions could work with local LGBTQI+-supporting organizations and individuals with lived experiences to co-create country-specific programs and then monitor and evaluate their implementation.

By following these steps, USAID can build on the general guidance in this document to take a structured, context-sensitive approach to implementing the recommendations, fostering environments that are increasingly inclusive of LGBTQI+ people while supporting broader economic growth.