



# POLICY GUIDE ON ENTREPRENEURSHIP FOR MIGRANTS AND REFUGEES







# **POLICY GUIDE ON ENTREPRENEURSHIP FOR MIGRANTS AND REFUGEES**



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## PREFACE

This policy guide focuses on the role of entrepreneurship in enhancing the positive effects of migration on economic growth and development. It is a practical tool aimed at strengthening the humanitarian-development nexus urged by the World Humanitarian Summit in May 2016 and the New York Declaration for Refugees and Migrants adopted at the 71<sup>st</sup> United Nations General Assembly in September 2016.

In order to inform policy decisions and programming, UNCTAD, IOM and UNHCR have put together their forces to provide a fact-based guide, highlighting the positive social, cultural and economic contribution that migrants and refugees can make to their home and host countries.

This guide argues that entrepreneurship can be an effective way to include migrants and refugees in local economies, by sharing their knowledge and entrepreneurial spirit, and creating new market opportunities and cross-border networks. Entrepreneurship can also be part of the long-term solutions needed to address the consequences of large movements of forcibly displaced persons, in addition to the important measures that are put in place to cope with the immediate effects of humanitarian crises. The creation of economic opportunities for all, with the purpose of leaving no one behind, is among the top priorities of the UN 2030 Agenda for Sustainable Development. One mechanism to achieve this is thus through the promotion of entrepreneurship.

Policies and programmes play an important role in supporting entrepreneurial activity by (and for) refugees and migrants and in addressing the barriers they face to engaging in economic activity. In a number of countries, a series of seemingly unsurmountable obstacles can be identified, posed by, e.g. the regulations preventing migrants from working or hindering their ability to access start-up financing and open formal bank accounts. Despite that, the empirical evidence provided by this guide shows that in several other countries solutions to these obstacles are being found. Governments, public institutions, non-governmental organizations and the private sector can effectively support entrepreneurial activity by (and for) refugees and migrants, with meaningful contributions to their well-being and with a positive social impact.

Through this guide, the partnering organizations wish to acknowledge the role of migrants and refugees as an integral part of a globalized world and aim to enhance their contribution to, and benefit from, inclusive and sustainable development.



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## EXECUTIVE SUMMARY

Since 2015, migration has risen high on the agendas of governments and development partners, following its historic inclusion in the UN 2030 Agenda for Sustainable Development and as a response to large flows of migrants and refugees that have occurred in different parts of the world. In September 2016, governments adopted the New York Declaration, which calls for strengthening international cooperation on migration and forced displacement and for the development and adoption of two collaborative instruments – a global compact for safe, orderly and regular migration, and a global compact on refugees. Both compacts emphasize the issue of socioeconomic integration of both migrants and refugees, including through support to self-employment and entrepreneurship. They are based on the premise that migrants and refugees can contribute positively to the development of communities back at home or in their new places of residence, provided that their skills, capabilities and entrepreneurial spirit – often acquired in migration – are given sufficient support and recognition.

Following these developments and to respond to a growing policy need for a common approach to promoting the socioeconomic inclusion of migrants and refugees that recognizes their contribution to development, UNCTAD, UNHCR and IOM have brought together their technical expertise and practical knowledge and collaboratively developed this *Policy Guide on Entrepreneurship for Migrants and Refugees*. The guide builds upon a thorough analysis and review of insights from 35 in-depth case studies and over 100 other initiatives, offering novel insights for the global discussion on how to support entrepreneurship among migrants and refugees in both developed and developing countries. The guide aims to provide high-level yet practice-oriented recommendations on policies and programmes to support entrepreneurial activity by, for and with migrants and refugees. The recommendations come in the form of policy options and possible measures and initiatives that governments or other relevant stakeholders can adopt outright or adapt to local needs and circumstances.

Promoting entrepreneurship is increasingly viewed as an effective approach to overcoming some of the challenges of economic and social inclusion for migrants and refugees. Efforts to support entrepreneurial activity by and for refugees and migrants are making meaningful contributions to the economic well-being of those populations, both directly to individuals and to the communities in which they reside or originate from, with broader positive social impacts. Such efforts have the potential to deliver shared benefits for countries of residence and countries of origin, for foreign-born and native-born populations alike. In host countries, migrant and refugee entrepreneurship can assist in promoting safe, regular and orderly migration by changing societal perceptions of migrants and refugees and promoting social cohesion. For countries of origin, migrant and refugee entrepreneurship can create opportunities through its potential to stimulate both investment and private sector development, in particular in families and communities back home.

The guide thus emphasizes the importance of evolving entrepreneurship ecosystems to be inclusive of migrants and refugees rather than creating separate or parallel programmes tailored to these groups. It does not advocate preferential support for migrant and refugee entrepreneurs but rather focuses on how policymakers can create a more level playing field through inclusive policies and equal opportunities. It therefore highlights the role of migrant and refugee entrepreneurs in working alongside locals, and the multiple arenas in which cross-sector partnerships can be developed and the private sector can be involved to engage with migrant and refugee entrepreneurs.

The successful initiatives and programmes highlighted throughout the guide suggest different ways to enhance the resources and opportunities generated by migrant and refugee entrepreneurs and ways to overcome the challenges they face when starting and scaling up an enterprise in a new host country. Obstacles such as limited rights to work and start a business, language and

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cultural barriers, limited access to finance and lack of support networks can hamper the success of migrants' and refugees' entrepreneurial activities. When addressing the barriers these groups face, it is imperative to understand the differences between various mobile population groups, in terms of their socioeconomic characteristics, levels of vulnerability and rights, as well as to appreciate the significant differences among members *within* these two groups. The guide thus distinguishes between and among these groups where relevant. In addition to highlighting obstacles and barriers, the guide also demonstrates through its many examples that migrants and refugees can effectively contribute to private sector development in both countries of residence and communities of origin.

The guide draws on the experience, knowledge and networks of UNCTAD, IOM and UNHCR on migration and refugee issues and entrepreneurship development in the field. It broadly follows the structure and logic of the UNCTAD Entrepreneurship Policy Framework, as well as the *Youth Entrepreneurship Policy Guide* developed by UNCTAD and the Commonwealth. It was also informed by IOM's Enterprise Development Model and its "Four Factors of Success".<sup>1</sup> Policy objectives are presented under the six distinct priority areas of the Entrepreneurship Policy Framework:

Policy Area 1 - Formulating a cohesive entrepreneurship strategy

Policy Area 2 - Optimizing the regulatory environment

Policy Area 3 - Enhancing entrepreneurial education and skill development

Policy Area 4 - Facilitating technology exchange and innovative start-ups

Policy Area 5 - Improving access to finance

Policy Area 6 - Promoting awareness and networking

The guide aims to support policymakers and practitioners by

- a) highlighting the benefits of promoting entrepreneurship for migrants and refugees;
- b) identifying the challenges faced by migrant and refugee entrepreneurs;
- c) proposing a menu of policy objectives and policy options;
- d) providing case studies and good practices from policies, programmes and initiatives in both developed and developing countries.

UNCTAD, UNHCR and IOM will use the guide to develop collaborative, cross-sector initiatives focused on promoting entrepreneurship by and for migrants and refugees. The aim is that policymakers and practitioners will also use the guide to promote migrant and refugee entrepreneurship at the local, national, regional and supranational levels. The following tables summarize the key policy options for each area and related recommendations. The guide discusses each policy pillar in detail and provides recommended actions and exemplar cases to support implementation.





# Summary of policy options and recommendations

## Policy Area 1: Formulating a cohesive strategy on entrepreneurship for migrants and refugees

Policy options	Recommendations
<p><b>Identify country-specific (and more localized) opportunities and challenges for migrant and refugee entrepreneurship</b></p>	<ul style="list-style-type: none"> <li>• Map the state of migrant and refugee entrepreneurship in the country and in its regions, considering the differences within each group</li> <li>• Profile migrant and refugee skills, capabilities and experience, to understand the potential for entrepreneurship</li> <li>• Identify industries and sectors that provide potential opportunities for entrepreneurship</li> </ul>
<p><b>Ensure coherence of migrant and refugee entrepreneurship approach with broader entrepreneurship, migration and refugee policies at local, national and regional levels</b></p>	<ul style="list-style-type: none"> <li>• Assess potential sources of incoherence or conflict between national and local strategies for entrepreneurship and for migration management and integration, with the use of tools such as IOM's Migration Governance Indicators and the KNOMAD Dashboard of Indicators for Measuring Institutional and Policy Coherence</li> <li>• Align migrant and refugee entrepreneurship approach with migration policy and refugee policy at all levels</li> <li>• Align migrant and refugee entrepreneurship strategies with broader entrepreneurship strategy, and ensure appropriate institutions own the strategy</li> <li>• Identify local stakeholders (e.g. private sector, co-working spaces, community centres, incubators and accelerators) that could support migrant and refugee entrepreneurship</li> <li>• Detail implications for welfare support and the integration process of migrants and refugees starting a business, and consider allowing them to engage in entrepreneurship initiatives and activity while receiving welfare support, ensuring that such support does not disincentivize entrepreneurial or livelihood activities</li> </ul>
<p><b>Ensure coherence of migrant and refugee entrepreneurship approach with international frameworks</b></p>	<ul style="list-style-type: none"> <li>• Identify specific targets, goals and indicators in the 2030 Agenda for Sustainable Development, for which migration, displacement and entrepreneurship policy areas intersect, and define actions that could maximize benefits by linking entrepreneurship, migration and displacement policy areas</li> <li>• Align migrant and refugee entrepreneurship approaches with the "Guiding principles on the access of refugees and other forcibly displaced persons to the labour market" of the International Labour Organization</li> <li>• Identify ways of aligning migration and entrepreneurship policies and programmes with the objectives and outcomes foreseen in the 2015 New York Declaration and forthcoming global compacts on refugees and for migration</li> <li>• Align migrant and refugee entrepreneurship approaches with the UN New Urban Agenda and other global processes and commitments, e.g. World Humanitarian Summit</li> <li>• Consider lessons learned and guidelines developed by the UN Joint Migration and Development Initiative</li> <li>• Align refugee entrepreneurship approach with obligations of concerned States under international and national refugee law</li> </ul>
<p><b>Measure and share the results of migrant and refugee entrepreneurship initiatives</b></p>	<ul style="list-style-type: none"> <li>• Develop specific goals and clear performance metrics for migrant and refugee entrepreneurship initiatives</li> <li>• Conduct regular, comprehensive evaluations and widely disseminate results and lessons learned, to inform stakeholders about intervention functioning</li> <li>• Incorporate feedback from evaluations to enhance the impact of migrant and refugee entrepreneurship initiatives</li> </ul>

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## Policy Area 2: Optimizing the regulatory environment

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Policy options	Recommendations
<p><b>Optimize the process for migrants and refugees to start a business</b></p>	<ul style="list-style-type: none"> <li>• Examine and clarify the regulatory requirements for migrant and refugee start-ups</li> <li>• Review and simplify additional administrative processes for migrant and refugee entrepreneurs (i.e. those not faced by local entrepreneurs)</li> <li>• Encourage collaboration between government ministries/departments to streamline processes and promote information sharing to optimize business registration process</li> <li>• Remove restrictions (either legal, administrative or practical) on ownership of property and access to finance</li> </ul>
<p><b>Guide and facilitate refugee and migrant entrepreneurs through the start-up process</b></p>	<ul style="list-style-type: none"> <li>• Provide information on regulatory requirements for business registration, public services and business support services to refugees, migrants and broader stakeholders (e.g. local legislators, support service providers)</li> <li>• Assist refugee and migrant start-ups in meeting regulatory requirements by providing guidance, facilitation and interpretation services</li> <li>• Provide information and training on standards to be met in specific industries (e.g. hospitality, health care)</li> <li>• Build refugee and migrant confidence in the regulatory environment by clarifying what support is available and providing certainty about rights and regulations</li> </ul>
<p><b>Review other regulatory barriers that may hinder refugee and migrant entrepreneurship</b></p>	<ul style="list-style-type: none"> <li>• Review – and, where appropriate, pass enabling legislation to alleviate – barriers that affect migrant and refugee entrepreneurship, including these:             <ul style="list-style-type: none"> <li>- Rights to work and self-employment</li> <li>- Recognition of prior qualifications and experience</li> <li>- Residence permits and entry visas</li> <li>- Restrictions on property ownership</li> <li>- Foreign ownership or diaspora investment</li> <li>- Restrictions on remittances</li> <li>- Limitations for return migrants</li> <li>- Other legislation that discriminates against migrants and refugees</li> </ul> </li> </ul>

### Policy Area 3: Enhancing entrepreneurial education and skill development

Policy options	Recommendations
<p><b>Develop, adapt and focus entrepreneurship training for specific target groups and contexts</b></p>	<ul style="list-style-type: none"> <li>• Include migrants and refugees in existing entrepreneurship training programmes, vocational education and training, and support and sensitize incubators or accelerators about specific needs and characteristics of migrants and refugees</li> <li>• Target entrepreneurship education on the basis of specific local contexts (e.g. refugee camps, community settlements, urban or rural settings)</li> <li>• Target entrepreneurship education for specific groups of migrants and refugees (e.g. youth, women, specific language groups, socioeconomic status, countries of origin, time in host country, professional skills, entrepreneurship experience)</li> <li>• Target entrepreneurship education based on phase of business development and viability of projects (e.g. entrepreneurs with just an idea, entrepreneurs with a business plan, entrepreneurs with an established business, entrepreneurs with high growth potential)</li> </ul>
<p><b>Develop effective entrepreneurship curricula and content to develop an entrepreneurial mindset</b></p>	<ul style="list-style-type: none"> <li>• Support programmes that provide a mix of content (e.g. technical, financial, basic business, entrepreneurial skills) and mix of delivery modes (e.g. blended training – partially online, partially in classrooms)</li> <li>• Support programmes that provide longer-term, tailored, one-to-one support</li> <li>• Support programmes that involve experiential and practical pedagogy that encourage learning by doing</li> </ul>
<p><b>Engage skilled and experienced trainers</b></p>	<ul style="list-style-type: none"> <li>• Engage skilled and experienced trainers (including industry experts and volunteers from local business councils, chambers of commerce and other professional backgrounds) or implement train-the-trainers programmes, specifically targeting migrants and refugees as potential trainers</li> <li>• Support programmes that incorporate a range of entrepreneurship and business expertise (e.g. experts in marketing, investment, financial management, technology, branding and other business services, and sector-specific experts)</li> <li>• Support programmes that link new refugees and migrants with established refugee and migrant entrepreneurs as mentors and coaches to nascent entrepreneurs</li> <li>• Sensitize training providers to the reality of human mobility (migration and refugee movements) so that they can develop their own programmes or tailor programmes to the needs and opportunities of migrants and refugees</li> <li>• Link migrants with specific knowledge of regulatory environments in countries of origin with businesses in the country of destination that wish to expand into the origin-country market (and vice versa)</li> <li>• Support the development of networks of migrant/diaspora entrepreneurs and business advisors, transnational chambers of commerce, transnational professional associations, and other bodies that support transnational business connections</li> </ul>
<p><b>Strengthen synergies between programmes of entrepreneurship training for refugees and migrants and vocational education programmes and support for basic needs</b></p>	<ul style="list-style-type: none"> <li>• Assess and monitor local integration supports in different migrant and refugee host environments (e.g. refugee camps, urban areas, rural areas) to understand if and how entrepreneurship is included</li> <li>• Encourage entrepreneurship education as a complement to vocational education, and align entrepreneurship education with traineeship and internships with local entrepreneurs, small to medium-size enterprises and other relevant enterprises</li> <li>• Encourage the development of strong partnerships between migrant and refugee entrepreneurship initiatives and broader service providers, activities and protection (e.g. language and cultural training, employment programmes, counselling, life skills, financial literacy, legal support, health care services, nutrition education, housing services)</li> <li>• Examine and clarify the implications of business registration for migrants and refugees who are receiving social protection</li> </ul>

## Policy Area 4: Facilitating technology exchange and innovative start-ups

Policy options	Recommendations
<p><b>Develop private sector linkages and include refugees and migrants in entrepreneurship ecosystems</b></p>	<ul style="list-style-type: none"> <li>• Develop market linkages and income streams for migrant and refugee entrepreneurs in local start-up ecosystems by developing linkages to incubator and accelerator programmes, private sector companies, entrepreneurs, industry professionals, education sector and mentors</li> <li>• Support platforms that connect migrant and refugee entrepreneurs with national and global entrepreneurship ecosystems and consumers (including export support to countries of origin)</li> <li>• Encourage university-based entrepreneurship centres and vocational training institutions to support migrant and refugee entrepreneurs</li> <li>• Provide resources to place-based entrepreneurship ecosystems</li> </ul>
<p><b>Create working spaces and access to infrastructure (e.g. internet, phone, electricity)</b></p>	<ul style="list-style-type: none"> <li>• Provide co-working spaces for migrant and refugee entrepreneurs alongside local entrepreneurs</li> <li>• Provide access to working spaces with Wi-Fi access, power and meeting rooms</li> <li>• Provide access to manufacturing and workshop spaces (maker spaces) related to specific industries (e.g. digital manufacturing, woodworking, commercial kitchens)</li> <li>• Provide access to retail spaces that enable migrant and refugee entrepreneurs to test ideas through pop-up shops</li> <li>• Invest in ICT backbone infrastructure in rural and remote rural settlements to facilitate mobile network services</li> <li>• Provide access to computers and telephone and internet connections for migrant and refugee entrepreneurs</li> <li>• Support e-commerce platforms for migrant and refugee businesses with planned cross-border operations</li> </ul>
<p><b>Support greater diffusion of and training in ICT and new technology for refugee and migrant communities</b></p>	<ul style="list-style-type: none"> <li>• Support initiatives that develop digital literacy through training migrants and refugees in new technologies such as coding, IT, digital fabrication (3D printing) and social media</li> <li>• Support initiatives focused on developing technological solutions to the challenges faced by migrants and refugees</li> <li>• Support migrants and refugees, including those in transit countries, to develop services that can be offered transnationally/remotely via digital platforms (e.g. software development)</li> <li>• Support the development of digital “bazaars”, e-malls, and e-marketplaces that support small local producers in exporting products by creating shared infrastructure and shared resources needed to ensure regulatory compliance</li> </ul>
<p><b>Promote social innovation and social enterprises for refugees and migrants and by refugees and migrants</b></p>	<ul style="list-style-type: none"> <li>• Support social enterprise and social innovation initiatives that link migrants and refugees with employment and potential self-employment opportunities</li> <li>• Support programmes and platforms that facilitate collaboration between migrants, refugees and the broader community on solving the challenges faced by migrants and refugees</li> <li>• Map out and support platforms for sharing knowledge and best practice, in order to facilitate the adoption of successful social innovations from elsewhere</li> <li>• Support initiatives that encourage migrants and refugees to engage in social and sustainability entrepreneurship</li> <li>• Support social enterprises that provide employment and training opportunities for migrants and refugees</li> </ul>

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## Policy Area 5: Improving access to finance

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Policy options	Recommendations
<p><b>Promote alternative and innovative sources of funding for refugee and migrant entrepreneurship</b></p>	<ul style="list-style-type: none"> <li>• Promote access to alternative and innovative sources of funding for refugee and migrant entrepreneurs, including these:               <ul style="list-style-type: none"> <li>- Crowdfunding</li> <li>- Peer-to-peer lending</li> <li>- Self-finance groups and cooperatives</li> <li>- Diaspora investment</li> <li>- Islamic finance</li> <li>- Matching funds</li> </ul> </li> <li>• Support platforms that allow migrants and diaspora members to identify businesses in countries of origin seeking start up or growth capital, and invest in facilities that match diaspora (angel) investors to enterprises</li> <li>• Assess the availability of collective remittance schemes and collate findings on the scope, use, and effectiveness of such schemes in supporting migrant and refugee entrepreneurs, including government matching programmes</li> <li>• Support local financial cooperatives, commercial financial institutions, and governments to expand insurances (e.g. crop insurance, business insurance, asset insurance) for migrant and refugee entrepreneurs and their families</li> </ul>
<p><b>Support refugee and migrant entrepreneurs in accessing the formal banking sector</b></p>	<ul style="list-style-type: none"> <li>• Encourage initiatives that assist migrant and refugee entrepreneurs in connecting with the formal banking sector (e.g. opening personal and business bank accounts)</li> <li>• Encourage savings activity by migrant and refugee entrepreneurs</li> <li>• Explore fintech and biometric solutions to overcome the challenges of identification and documentation</li> <li>• Provide education and information to regulatory bodies and financial service providers on how to extend services to migrant and refugee entrepreneurs</li> <li>• Promote access to traditional sources of funding for refugee and migrant entrepreneurs, including microfinance</li> <li>• Support initiatives that provide access to finance for migrant and refugee entrepreneurs without sufficient capital or credit histories (e.g. loan guarantees)</li> </ul>
<p><b>Link access to finance (cash or in-kind) to entrepreneurship education and financial literacy programmes</b></p>	<ul style="list-style-type: none"> <li>• Provide education on financial literacy to migrant and refugee entrepreneurs</li> <li>• Encourage entrepreneurship education initiatives that link seed funding for migrant and refugee entrepreneurs to completion of the programme (e.g. as part of the selection process, after entrepreneurs reach a certain hurdle, or at the end of the programme as a prize)</li> <li>• Encourage entrepreneurship education initiatives that provide in-kind enterprise support through the purchase of capital equipment or “start-up kits” that provide tools and materials necessary for starting an enterprise in a particular industry</li> <li>• Encourage entrepreneurship education initiatives that support entrepreneurs after obtaining finance</li> </ul>

## Policy Area 6: Promoting awareness and networking

Policy options	Recommendations
Raise awareness of entrepreneurship support and initiatives among migrants and refugees	<ul style="list-style-type: none"> <li>• Map potential entrepreneurship programmes and initiatives for migrants and refugees (both targeted and alongside national entrepreneurs) on the basis of target groups, locations and stage of business development</li> <li>• Develop information booklets, social media channels and websites, as well as face-to-face information sessions and outreach activities, in local settings and in multiple languages, to detail start-up services and resources available for migrants and refugees</li> <li>• Engage multiple stakeholders to reach migrants and refugees by establishing strategic linkages between entrepreneurship programmes and other programmes (across public, private and non-profit sectors) supporting migrants and refugees</li> <li>• Engage community leaders from migrant and refugee communities to reach aspiring entrepreneurs</li> <li>• Showcase the potential of entrepreneurship initiatives as opportunities for income generation for migrants and refugees by engaging with the media to enhance the visibility of programmes and sharing stories of successful refugee and migrant entrepreneurs</li> </ul>
Connect migrant and refugee entrepreneurs with experienced mentors	<ul style="list-style-type: none"> <li>• Support initiatives that connect migrants and refugees with mentoring opportunities through both one-off mentoring sessions and longer-term dedicated mentors</li> <li>• Explore and encourage mentoring opportunities that connect migrant and refugee entrepreneurs with relevant mentors, e.g.: <ul style="list-style-type: none"> <li>- Experienced entrepreneurs and industry professionals</li> <li>- Students and youth with local business knowledge</li> <li>- Successful migrant and refugee entrepreneurs who have gone through similar experience</li> <li>- Migration and refugee experts</li> <li>- Universities and incubation and accelerator programmes</li> </ul> </li> </ul>
Create and support networking opportunities for migrant and refugee entrepreneurs	<ul style="list-style-type: none"> <li>• Engage cross-sector stakeholders (e.g. chambers of commerce, investors, companies, public institutions, local authorities, NGOs) in networking events alongside national entrepreneurs</li> <li>• Create and support pitching events to help migrant and refugee entrepreneurs to gain traction with investors, philanthropists, government and other entrepreneurs</li> <li>• Support cultural events and showcase events that provide a space to experience migrant and refugee enterprises and introduce novel products and services linked to countries of origin</li> <li>• Support co-working sessions, hackathons and start-up weekends with migrants and refugees alongside students and experts to test and accelerate business ideas</li> <li>• Build online match-making portals to link aspiring migrant and refugee entrepreneurs with potential mentors, collaborators and investors</li> </ul>
Support migrant and refugee entrepreneurs in connecting with diaspora networks and networks in countries of origin	<ul style="list-style-type: none"> <li>• When safe and appropriate, support migrant and refugee entrepreneurs to establish business linkages, export activities, and explore investment opportunities in their countries of origin</li> <li>• Support programmes that make linkages between countries of origin and countries of destination to provide technical support for transnational migrant and refugee enterprises</li> <li>• Support online platforms to connect migrant and refugee entrepreneurs with diaspora networks as enabler for enterprise growth</li> <li>• Encourage migrant and refugee entrepreneurs to consider nostalgia trade and cultural heritage goods from countries of origin</li> <li>• Create networking events that explicitly target transnational businesses and actors, including diaspora organizations, transnational chambers of commerce, business associations, and regulatory bodies</li> <li>• Support programmes and platforms that help migrant and refugee entrepreneurs identify international supply chain partners, especially among members of diaspora networks</li> </ul>
Actively shift the stigma faced by migrants and refugees	<ul style="list-style-type: none"> <li>• Recruit and showcase successful migrant and refugee entrepreneurs as role models through various communication channels (e.g. entrepreneurship events, press releases, reports, web platforms)</li> <li>• Invest in research to understand and report the contributions of migrant and refugee entrepreneurs to economic growth, job creation, diversity and innovation</li> <li>• Provide information to stakeholders in entrepreneurship ecosystem on migrants' and refugees' rights to work and start a business</li> </ul>

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# **PART 1.**

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# 1. INTRODUCTION – MIGRANTS, REFUGEES AND ENTREPRENEURSHIP

The *Policy Guide on Entrepreneurship for Migrants and Refugees* aims to assist policymakers in overcoming the challenges and seizing the opportunities posed by human mobility, including recent large movements of refugees and migrants. Developed by the United Nations Conference on Trade and Development (UNCTAD), the United Nations Refugee Agency (UNHCR), and the International Organization for Migration (IOM), the guide aims to provide a high-level yet practice-oriented framework for policies and programmes to support entrepreneurial activity by, and for, refugees and migrants. The purpose of the guide is to stimulate discussion among policymakers and the broader stakeholder community on how entrepreneurship promotion can contribute to the long-term social and economic inclusion of refugees and migrants and enhance their positive economic and development impact on host and home countries.

As outlined in the New York Declaration for Refugees and Migrants adopted in 2016, the large movements of refugees and migrants we observe today are significant not only in terms of the number of people on the move, but also in terms of the economic, social and geographic context of these movements; the capacity of receiving countries to respond to new arrivals; the impacts of sudden movements or prolonged stays; and the presence of mixed flows of both refugees and migrants who move along similar routes, although for different reasons.<sup>2</sup> Recognizing the immediate challenges that these large movements may imply, the guide aims to highlight the opportunities presented by migration and refugee movements for economic prosperity in both countries of destination and asylum (through job creation, diversification and private sector development) and countries of origin (through financial and knowledge transfers).

The audience for the guide extends beyond policymakers. Although policy guidance to promote entrepreneurship is the prime objective, the programmes and initiatives highlighted throughout the guide are relevant to a broader community of implementing partners in governments, civil society and private sector. The broad audience cuts across policymaking and policy implementation, i.e. across sectoral policies of migration, asylum, private sector development and entrepreneurship, employment and education, as well as at national, subnational and international or regional levels. Furthermore, because both entrepreneurship promotion and issues related to migration and refugees concern many areas of government (e.g. across different ministries or departments) and many other stakeholders (e.g. private sector, non-governmental organizations (NGOs), education providers, donors, investors, agencies and associations), migrant and refugee entrepreneurship should be mainstreamed across all these areas and levels to ensure policy coherence and to promote a synergistic multi-stakeholder approach. The case studies and good practices highlighted throughout provide guidance on the types of activities policymakers may wish to support and also offer insights for implementing organizations on effective practices and challenges encountered.

## 1.1 A snapshot of migration and displacement dynamics

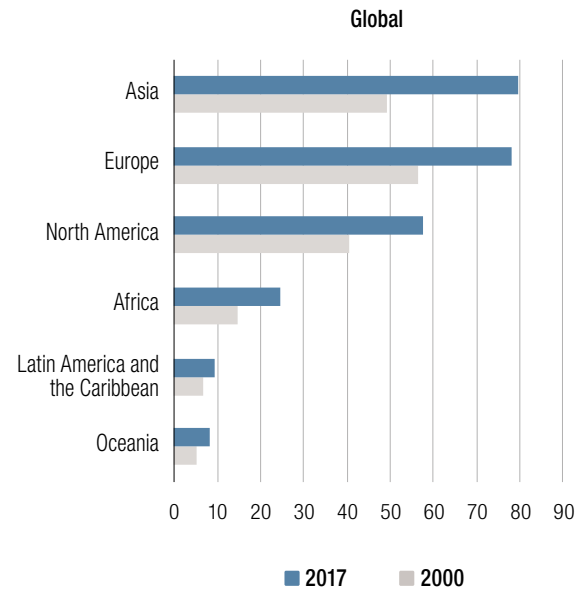
International migration has grown in scale and complexity since the turn of the century, with the number of international migrants reaching 258 million in 2017, compared with 173 million in 2000. Figure 1 shows how the number of international migrants on each continent has grown between 2000 and 2017. The number of international migrants has grown faster than the world's population over this period, leading to an increase in the share of migrants in the total population from 2.8 per cent in 2000 to 3.4 per cent in 2017.

The world's forcibly displaced population also remains at a record high, with an increasing number of people displaced as a result of persecution, conflict, violence or human rights violations. Figure 2 shows the increase in forced displacement between 1997 and 2016.

Despite the significant media coverage of refugee flows towards developed countries, developing regions host 84 per cent of the world's refugee population. According to data from Turkey's Directorate General of Migration Management, that country hosted more than 3.5 million Syrians under temporary protection in July 2018.<sup>3</sup> Jordan has the highest refugee-to-population ratio at 89 refugees per 1,000 persons.<sup>4</sup> The country is home to more than 2.7 million registered refugees, of whom about 2 million are people of Palestinian descent who have lived in the country for decades. Uganda is one of the largest refugee-hosting countries in Africa, with about 1.2 million refugees and asylum seekers. Significant flows of refugees and migrants to both developed and developing countries will most likely continue for the next decades.<sup>5</sup>

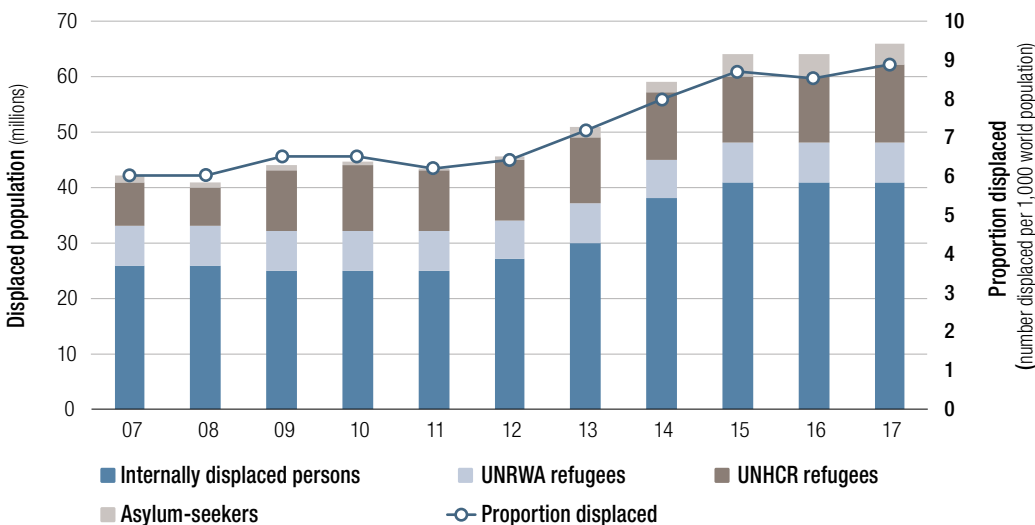
The scale and nature of forced displacement has also changed. In the context of mixed and complex migration flows – where both refugees and migrants travel along similar routes – it is more difficult to distinguish between the two groups. The diversification of migrant populations, the routes migrants take, the places to which they move and the increasingly transnational character of migration have not only created challenges to the regulation and management of movement but have also created unique spaces for migrants to contribute to development in countries of origin, destination and even transit. A growing body of literature has documented the channels through which migrant and forcibly displaced populations – including refugees and asylum seekers, labour migrants, return migrants and diaspora populations – can strengthen local economies and support economic growth.

**Figure 1. Number of international migrants by region of destination, 2000–2017 (Millions)**



Source: United Nations, 2017.

**Figure 2. Trend of global displacement and proportion displaced, 2007–2017**



Source: UNHCR, 2017.

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## 1.2 The rise of migrant and refugee entrepreneurship

The New York Declaration for Refugees and Migrants, adopted at the 71st UN General Assembly in September 2016, called for the development of two global compacts: one on refugees and one for safe, orderly and regular migration. The Declaration underscores the importance of undertaking long-term and sustainable efforts to support the positive contributions that migrants and refugees can make to economic and social development in countries of origin and residence.

Promoting entrepreneurship can provide an important mechanism to advance integration and can accelerate migrants' and refugees' contributions as actors of development in the process. Entrepreneurship is increasingly viewed as an effective approach to overcoming some of the challenges of integration by providing a venue for income and employment for individuals with constrained access to the labour market.

Although there are no reliable global figures on the scale of migrant and refugee entrepreneurship, a number of studies, in particular in member countries of the Organization for International Cooperation and Development (OECD), have demonstrated higher than average rates of entrepreneurship among migrants and refugees.<sup>6</sup> Despite this potential, however, migrants and refugees face particular and obvious barriers to engaging in entrepreneurial activity, which can relate to their legal status and regulations that may prevent them from working and accessing essential services, as well as to difficulties in accessing start-up financing and formal bank accounts, and language and cultural barriers. Nevertheless, despite these seemingly unsurmountable obstacles, in some countries solutions are being found – by governments, public institutions, NGOs, the private sector and migrants and refugees themselves – to support entrepreneurial activity by (and for) refugees and migrants, as well as maximize the entrepreneurship potential of diaspora communities to support private sectors in countries of origin and destination, as well as to support the self-employment of returnees. These solutions are being implemented across differing levels, from the supranational and national levels to the local and municipal levels. They are making meaningful contributions to the well-being of refugees and migrants, as well as having broader positive social and economic impacts.<sup>7</sup>

It is important to note that although entrepreneurship is an important factor in advancing migrant and refugee integration, it should be viewed as complementary to a more holistic intervention on their socioeconomic integration that includes access to services, legal protection and cultural orientation if the opportunities and benefits are to be maximized. As emphasized in international guidance and policy debate, including IOM's Migration Governance Framework, effective migration policies and practices rely on a "whole-of-government" approach, whereby all sectors of government collaborate to ensure a coherent and multidimensional response. This guide does not set out to suggest that every migrant and refugee should become an entrepreneur but notes that the benefits of entrepreneurial thinking are becoming increasingly appreciated also in wage employment.

## 1.3 Scope and objectives of the guide

The guide is aimed at providing policy options and recommendations for the promotion of entrepreneurship among migrants and refugees, to support their socioeconomic inclusion and to maximize their contributions to well-being and development in both host and home communities.

The guide focuses specifically on policy recommendations relevant to international migrants and refugees. Although internally displaced persons (IDPs) face different regulatory contexts from foreign nationals, the guide does draw on some insights from programmes supporting IDPs as they provide important lessons for policymakers in supporting migrant and refugee entrepreneurship more broadly. Therefore, some of the insights developed in this guide may also be useful for those developing policy initiatives and programmes to support IDPs and the communities in which they reside.

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The guide focuses primarily on policy options, cases and good practices that can support entrepreneurial activity by and for refugees and migrants *in host economies*. Entrepreneurship development in the home countries of migrants is not the primary focus, although the guide does introduce relevant diaspora-related policies and initiatives, as well as indicates the developmental benefits of return migration, given that trade and investment links with home countries are strengthened by promoting cross-border entrepreneurial activity.

The guide is aimed at policymakers and practitioners in both developed- and developing-country contexts. The case studies on which many of the recommendations are based are balanced in their coverage of countries and regions at different levels of development. Some parts of the guide – such as the sections on strategic approach development or on technology – may draw disproportionately on good practices developed in developed-country settings, but they contain elements that are equally relevant and may be replicable in developing countries.

Importantly, the policy guidance focuses exclusively on entrepreneurship promotion and facilitation. It does not provide policy or regulatory advice on issues related to the legal status of refugees and migrants or their access to local labour markets, services, documentation, and so on. The guide leaves it to host-country policymakers to decide what policy options can be appropriate for them, given their circumstances.

Figure 3 illustrates the objectives and intended outcomes aimed for by the partner organizations in the creation of the guide (in “theory of change” format).

As noted earlier, the guide does not advocate steering all migrants and refugees towards entrepreneurship. The policy guide has three aims:

1. Propose a **policy development approach** for migrant and refugee entrepreneurship.
2. Identify a menu of **policy options and recommendations** tailored to the needs of specific policymakers.
3. Provide an analysis of **case studies and good practices** for policies, programmes and initiatives from both developed and developing countries.

The guide also aims to contribute to the broader 2030 Agenda for Sustainable Development by supporting the attainment of several Sustainable Development Goals (SDGs) through facilitating positive impacts on five of them:

- **SDG 1**, *End poverty in all its forms everywhere* – by putting forward entrepreneurship as a means for migrants and for refugees in situations of poverty, to improve their economic situation and by strengthening economic contributions to host countries
- **SDG 4**, *Ensure inclusive and equitable quality education* – by encouraging support for relevant educational, entrepreneurship and vocational training initiatives
- **SDG 5**, *Achieve gender equality and empower all women and girls* – by encouraging entrepreneurship initiatives that support full and effective participation by migrant and refugee women
- **SDG 8**, *Promote decent work for all* – by promoting entrepreneurship as a means to protect labour rights and promote safe and secure working environments for refugees and migrants, in particular women and those in precarious employment
- **SDG 10**, *Reduce inequalities* – by looking into the importance of orderly, safe and responsible migration and mobility of people, including through implementation of planned and well-managed migration policies, i.e. target 10.7

**Figure 3. Objectives of the Policy Guide**

	Now – “Before the guide”	Actions	Future – “After the guide”
<b>MACRO</b> Systems, policies, institutions	<ul style="list-style-type: none"> <li>• Lack of in-depth understanding on linkages between entrepreneurship, migration and forced displacement</li> <li>• Fragmented approaches among international actors</li> <li>• No “whole of government” and “whole of society” approaches – migration ministries not working with agencies working on private sector and enterprise development</li> <li>• Policy makers and practitioners lack skills on how to link the two thematic areas – entrepreneurship, migration and forced displacement – into their practical work</li> </ul>	<ul style="list-style-type: none"> <li>• Map out existing approaches and good practices (35 cases in the guide)</li> <li>• Unite forces of key stakeholders – UNCTAD, IOM and UNHCR</li> <li>• Develop recommendations and SOPs on mainstreaming migration and forced displacement into entrepreneurship and private sector development policies and vice versa</li> <li>• Roll-out the guide, organize specialized trainings, engage in awareness raising missions</li> </ul>	<ul style="list-style-type: none"> <li>• Linkages between entrepreneurship, migration and forced displacement are clearly conceptualized, made known to broader audience of policy makers and public</li> <li>• Partnership among UN organizations established, systems created that allow monitoring of the progress on the topic and help mainstream it into major UN processes (e.g. reporting to UN SG, Agenda 2030, at national level – UNDAFs)</li> <li>• National and local policies on migration and displacement are no longer “entrepreneurship” blind, and the other way around</li> <li>• Governments and partners understand the advantage of having an inter-organizational approach, work together in designing and implementing common solutions</li> </ul>
<b>MESO</b> Projects, communities	<ul style="list-style-type: none"> <li>• Available funding is inconsistent, insufficient, not long-term failing to produce a long-term impact on final beneficiaries</li> <li>• Projects are of small scale and non-replicable</li> <li>• No common repository or analysis of effective practices and their impact</li> <li>• Lack of coordination leaving to duplication of efforts and waste of resources</li> </ul>	<ul style="list-style-type: none"> <li>• Develop a fundraising approach to start showcasing projects and importance of comprehensive actions</li> <li>• Develop project templates, maintain knowledge base on successful cases</li> <li>• Present the guide and results of work at major events, agree on how to continue collating experiences and learning from each other</li> </ul>	<ul style="list-style-type: none"> <li>• Development cooperation actors recognize importance of linking entrepreneurship with migration and forced displacement, support larger regional or cross-regional actions that allow peer learning and longer-term approaches</li> <li>• UN partners agree on a location where experiences are consolidated, possibly around the Global Compact for Migration structures and processes</li> <li>• The guide becomes a “to go” reference for grass-route initiatives</li> </ul>
<b>MICRO</b> Migrants, community members	<ul style="list-style-type: none"> <li>• Migrants (immigrants, labour migrants) and refugees are not able to benefit from existing entrepreneurship opportunities, resulting in poorer integration, resilience and self-reliance and dependence on social welfare systems</li> <li>• Skills and resources from diaspora and returnees are not effectively used in communities of their origin and return</li> <li>• Employers/local economies miss opportunities to benefit from migrants’ special entrepreneurial capacities</li> <li>• Local community members do not understand about the contributions that migrants and refugees make into local economies, resulting into stigmatization and xenophobia</li> </ul>	<ul style="list-style-type: none"> <li>• Follow guide’s recommendations on how to improve entrepreneurship and migration and forced displacement policies and actions to support entrepreneurship among migrants and refugees</li> </ul>	<ul style="list-style-type: none"> <li>• Better integrated migrants and refugees, with higher self-esteem, well-being and career development prospects</li> <li>• Diaspora are becoming true actors of development by supporting enterprises back in their communities of origin</li> <li>• Returnees are able to utilize their skills and knowledge for business setup and development upon return</li> <li>• Employers/local economies integrate migrants and refugees, are able to build upon their entrepreneurial potential</li> <li>• Improved perception about migrants and refugees, stronger cohesion in the society and tolerance towards newcomers</li> </ul>

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## 1.4 Definitions

Appreciating the heterogeneity of migrants and refugees has important contextual, conceptual and practical implications for developing and implementing policy innovations. The following key definitions aim to highlight these differences.

**Migrants:** There is no internationally accepted and legally binding definition of migration or migrants. For statistical purposes, the UN defines a long-term international migrant as someone who changes their country of usual residence, no matter for what reason or whether they are documented or not, for at least 12 months; short-term or temporary migration is defined as between 3 and 12 months.<sup>8</sup> IOM – the UN migration agency working both in policy areas and in implementation – provides a much broader definition of a migrant as “any person who is moving or has moved across an international border or within a State away from his/her habitual place of residence, regardless of (1) the person’s legal status; (2) whether the movement is voluntary or involuntary; (3) what the causes for the movement are; or (4) what the length of the stay is.”<sup>9</sup>

**Refugees:** Refugees are people who have been forced to leave their country of origin due to a fear of persecution, conflict, violence or other circumstances which have seriously disturbed public order, often with life-threatening consequences.<sup>10</sup>

**Asylum seekers:** Asylum seekers are individuals who are seeking asylum but whose claims have not yet been finally decided on. Unless indicated differently, this guide refers to refugees in the broad sense, including those recognized and granted a lawful status as well as asylum seekers whose status has not yet been recognized.

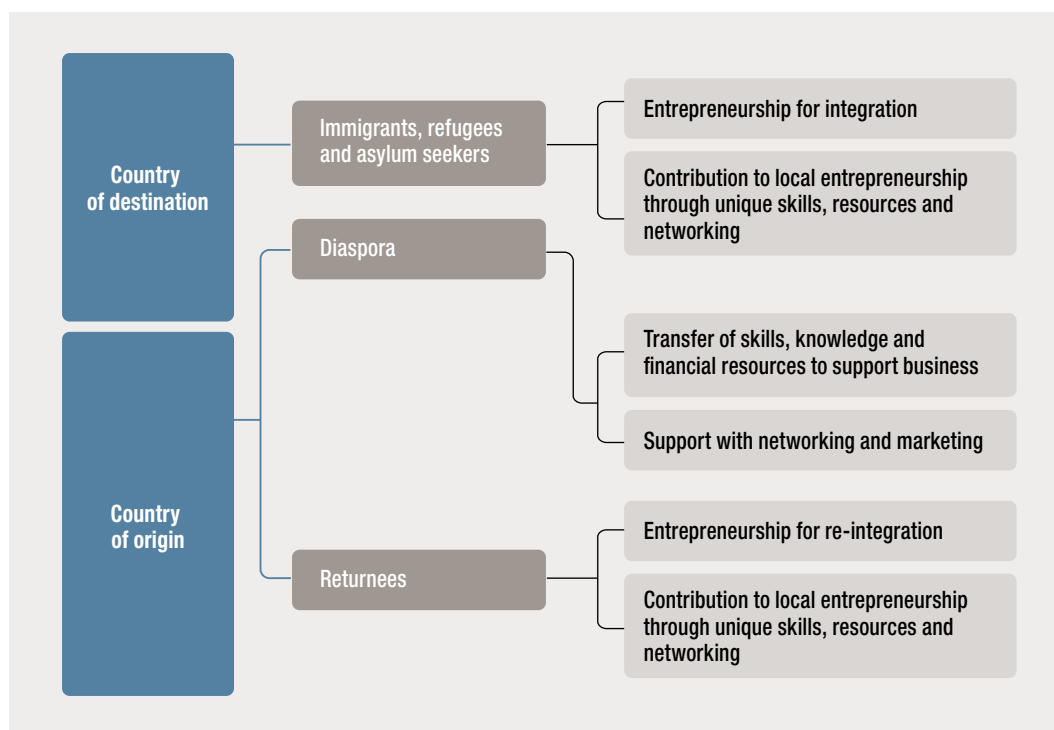
**Diaspora:** Diaspora refers to “individuals and members or networks, associations and communities, who have left their country of origin, but maintain links with their homelands. This concept covers more settled expatriate communities, migrant workers based abroad temporarily, expatriates with the nationality of the host country, dual nationals, and second-/third generation migrants”.<sup>11</sup>

**Internally Displaced Persons:** IDPs are persons or groups of persons who have been forced or obliged to flee or to leave their homes or places of habitual residence, in particular as a result of or in order to avoid the effects of armed conflict, situations of generalized violence, violations of human rights or natural or human-made disasters, and who have not crossed an internationally recognized State border.<sup>12</sup>

**Return migrants:** Return migrants are persons “... returning to his or her country of origin or habitual residence usually after spending at least one year in another country. This return may or may not be voluntary”.<sup>13</sup>

**Entrepreneurship:** This guide adopts the UNCTAD definition of entrepreneurship as “the capacity and willingness to undertake conception, organization and management of a productive new venture, accepting all attendant risks and seeking profit as a reward”.<sup>14</sup> This definition considers the broader spectrum of entrepreneurial activity that encompasses self-employment, microenterprises, small to medium-size enterprises (SMEs) and high-growth firms.

**Figure 4. Beneficiaries of the Policy Guide**



## 1.5 Policy development approach

This guide was developed by drawing on the knowledge and experience of IOM and UNHCR on migration and refugee issues and on UNCTAD's know-how on entrepreneurship development in the field (in particular, the UNCTAD Empretec programme).<sup>15</sup> The guide has a concise, overarching framework, following the structure and logic of UNCTAD's Entrepreneurship Policy Framework, as illustrated in figure 4, as well as of the *Policy Guide on Youth Entrepreneurship* jointly developed by UNCTAD and the Commonwealth. It was further informed by IOM's Enterprise Development Model and its "Four Factors of Success".

Drawing on these insights, the guide provides a repository of policy measures, programmes and initiatives that have been implemented around the world to support migrant and refugee entrepreneurs and connect them to the broader entrepreneurship ecosystem. The guide is structured as follows:

- Section 2 discusses the benefits of promoting entrepreneurship among migrant and refugees for host countries, countries of origin and migrants and refugees themselves.
- Section 3 identifies the main barriers and challenges for migrant and refugee entrepreneurs, grouped under the six areas of the Entrepreneurship Policy Framework.
- To address these barriers and challenges, sections 4–9 outline the policy options, policy recommendations and case examples under each of the six areas of the Entrepreneurship Policy Framework.
- Section 10 offers insights for practitioners, drawing on an analysis of 35 in-depth case studies of migrant and refugee entrepreneurship initiatives around the world.
- The Annex contains detailed descriptions of the 35 in-depth cases of migrant and refugee entrepreneurship initiatives.



Figure 5. The UNCTAD Entrepreneurship Policy Framework



Source: UNCTAD, 2012.

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## 2. SUPPORTING ENTREPRENEURSHIP AMONG MIGRANTS AND REFUGEES: BENEFITS AND OPPORTUNITIES

Supporting migrant and refugee entrepreneurship can offer significant benefits, not only for migrants and refugee entrepreneurs themselves, but also for host societies and countries of origin. For host countries, migrants and refugees often bring valuable skills and experience. For countries of origin, diaspora and returnees can contribute to entrepreneurship development by capitalizing on resources, skills, networks and knowledge that they acquire through migration, by acting as mentors for local entrepreneurs or facilitators of cross-border trade and marketing.

### 2.1 Potential contributions of migrant and refugee entrepreneurship to development in host countries

**Economic development and innovation:** Migrants and refugees can act as catalysts for economic growth in host countries because, in addition to their motivation and energies, they bring with them new skills, competencies and ideas that can help to innovate and grow markets. This is often referred to as the “diversity dividend”. The diversity that migrants and refugees bring to host economies creates value because people with different experiences, ways of thinking and social contacts can contribute new knowledge, ideas and approaches to problem-solving, thus helping to introduce new products and processes and grow markets through entrepreneurship or as employees in existing organizations.<sup>16</sup>

**Creation of new businesses:** Migrants and refugees have a relatively high propensity to create new businesses. Research suggests that many migrants are naturally entrepreneurial because, having chosen to leave their countries of origin and build a new life abroad, they have a greater tolerance for risk and hard work. Some migrant and refugee groups may tend towards entrepreneurship because of their personal, family or cultural background. It has also been suggested that the entrepreneurial activity of migrants and refugees stimulates entrepreneurship among others (whether native or foreign-born).<sup>17</sup>

**Job creation:** Research on job creation by migrant and refugee businesses has found that, in OECD countries, foreign-born entrepreneurs who own an SME create between 1.4 and 2.1 additional jobs, which is only slightly lower than the job-creation rate of their native-born counterparts (who create between 1.8 and 2.8 additional jobs).<sup>18</sup> The UK Centre for Entrepreneurs specifically assessed local SMEs with a turnover of between £1 million and £200 million and found that migrant-founded businesses accounted for 14 per cent of job creation within this segment.<sup>19</sup> The creation of jobs for other migrants and refugees further reduces the reliance of migrants and refugees on welfare benefits and lowers the costs of integration and resettlement.<sup>20</sup>

**International trade:** Successful migrant and refugee businesses can contribute to the growth of international trade. Migrants and refugees have an advantage in developing international trade linkages with businesses in their host countries owing to their access to transnational networks and information about markets in countries of origin.<sup>21</sup> This access can lower transaction costs and help entrepreneurs assess opportunities and gaps in new markets, anticipate potential risks in those markets and identify trusted partners to support the expansion of a business.

**Local economic development:** Migrant and refugee businesses can play a vital role in revitalizing local economic areas, including low-income neighbourhoods in which migrants and refugees are often concentrated. Such businesses not only support the social mobility of the business owners themselves but also provide employment opportunities and skills training for members of their co-

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ethnic communities, who may be particularly vulnerable to exclusion from the labour market, as well as to other members of the native population<sup>22</sup>

**Social cohesion and community well-being:** Migrant and refugee businesses may have broader community-level effects. For example, migrant shopkeepers often serve the needs of the neighbourhood by providing specialty goods and services, offering affordable prices for low-income consumers, and by operating extended opening hours. Migrant and refugee businesses can also play an important leadership role in terms of breaking down barriers and building bridges between different peoples and cultures and facilitating the exchange of information, thereby fostering social inclusion and cohesion. In this way even low-profit, low-growth migrant and refugee businesses offer benefits to host societies, which should not be overlooked by policymakers aiming to tackle the stagnation of particular geographic areas and the marginalization of some demographic groups.<sup>23</sup>

Research shows that local host communities in developing countries can gain substantially from migrant and refugee entrepreneurship. A study of Kakuma town and refugee camp in Kenya illustrates the thriving informal business activity among refugees that has emerged despite many barriers, and that has strong links into the local Kenyan community: refugee entrepreneurs employ, trade with and work with local residents.<sup>24</sup> A study conducted in Uganda found that refugee entrepreneurs create employment among Ugandans and develop new business markets by engaging in trade between Ugandan and other East African markets. Refugee entrepreneurs also pay rent to local owners for market spaces and shops, as well as taxes and other fees to local municipalities.<sup>25</sup> A similar study conducted in Zambia found that micro and small business activity by refugees contributes to employment creation, in most cases employing more Zambian nationals than other refugees. This research also identified specific cases in which refugees have introduced productive innovations and acted as agents of change for local economic development.<sup>26</sup>

## 2.2 Contributions of migrant and refugee entrepreneurship to development in countries of origin

Migrant and refugee entrepreneurship in host countries may also spur economic development in countries of origin. For example, migrants can invest financially in private sector development in countries of origin, can use their business expertise to spur innovation and sector growth in countries of origin, and can use their international networks to facilitate international trade.

**Creation of new businesses:** Migrants and refugees are relatively well placed to start or invest in businesses in countries of origin because the experience of working abroad often allows them to accumulate financial resources, knowledge of specific sectors and experience of working practices which might not yet be available in the countries of origin. Migrants may also have built networks of business contacts that span across countries. The capacity of migrants to contribute to the development of their countries of origin is not necessarily pre-conditioned on their permanent return back home. Temporary and virtual returns can capitalize on the activities of people of multiple nationalities. GIZ (the Deutsche Gesellschaft für Internationale Zusammenarbeit) has proposed a Migration Measures Matrix for Private Sector Development, which identifies kinds of measures that can be adopted to harness the potential of migration for development in countries of origin according to the level (e.g. micro, meso, macro) and the stage of migration activity targeted (e.g. before migration, during migration and upon return).<sup>27</sup>

**Remittances, diaspora investment and transfer of knowledge:** Global remittances now amount to three times the amount of official development assistance, with flows to low- and middle-income countries having risen from US\$29 billion in 1990 to US\$429 billion in 2016.<sup>28</sup> Remittances often behave counter-cyclically in that they tend to increase during times of higher uncertainty and risk, when other forms of foreign capital are evacuated from a domestic market. The money sent by migrants may not only support the daily livelihoods of recipient households but can also be used to loosen credit constraints, enabling recipients to invest in their own enterprises. In many countries,

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remittances have been recognized as an important source of non-traditional development finance that can support the expansion and strengthening of the private sector, particularly during times of crisis or economic contraction. In recognizing the powerful role that remittances can play in supporting small businesses, some governments and international organizations have supported the creation of collective remittance funds that can provide start-up and growth capital for local enterprises in communities of origin. Contributions of diaspora to communities of their origin – both in terms of knowledge transfer but also by financial support to specific projects and initiatives – have been growing across regions and continents.

## 2.3 Benefits of self-employment and entrepreneurship for migrants and refugees

Entrepreneurship represents an important financial, social and psychological opportunity for many migrants and refugees in the process of building new lives (whether temporarily or permanently) in host societies.

**Economic benefits:** Entrepreneurship may, in many contexts, offer migrants and refugees better economic prospects. Migrants and refugees are often driven towards entrepreneurship by structural factors that create barriers to their integration in the labour market. Such barriers can include racial discrimination, lack of rights to work, linguistic barriers and non-recognition of foreign qualifications and skills. As a result of these barriers, refugees and migrants often experience higher rates of unemployment and underemployment, or may be pushed towards “3D jobs” (dirty, dangerous and demanding), or temporary or otherwise insecure jobs, which can lead to entrepreneurship being viewed as an alternative employment strategy. Although the decision to start a business may therefore be driven more often by necessity than by the identification of a market opportunity, entrepreneurship may offer migrants and refugees an important route to financial security and self-reliance.<sup>29</sup>

**Social benefits:** For migrants and refugees, entrepreneurship often offers the means of obtaining higher social status, as well as achieving independence and autonomy. Further, migrant and refugee entrepreneurs can leverage in-country and diaspora co-ethnic support networks, which can provide access to mentorship, financial capital, trusted suppliers and a loyal customer base. Beyond the potential to leverage the co-ethnic network, migrants and refugees have an opportunity to leverage the goodwill of broader networks, including religious networks and political networks, as well as co-national and regional networks.<sup>30</sup>

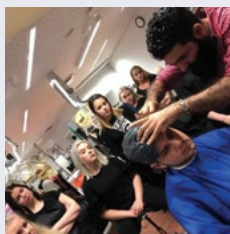
**Psychological benefits:** Pursuing entrepreneurship as an alternative employment strategy can support psychological well-being as well as economic well-being. The question of dignity is particularly important for refugee entrepreneurs, with research suggesting that many refugees facing unemployment in the host-country labour market are pushed to start their own businesses in order to avoid dependency on welfare benefits. For migrants and refugees who do find work but who are overqualified for their roles, entrepreneurship may represent more interesting and meaningful work. Further, entrepreneurship may offer migrants and refugees a unique niche where they are not displacing or competing with local workers, which can assist with efforts to overcome xenophobia.<sup>31</sup>

Refugee entrepreneurship, in particular, can support durable solutions for host communities and States struggling with increased competition for access to basic services, labour markets and accommodation. Self-reliance, including through entrepreneurship, can play a role in enabling refugees’ and migrants’ transition away from crisis and create opportunities for the achievement of durable solutions for displaced persons.<sup>32</sup>

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## Profiles of successful refugee and migrant entrepreneurs

### Baghdad Barbers – Finland: Start-up Refugees



A group of refugees with prior experience of hairdressing met during the Start-up Refugees programme (Helsinki, Finland) and have collaborated to set up Baghdad Barbers. Initially, it operated as a pop-up shop; with no permanent location, they offered their hairdressing services at events, festivals and other scheduled occasions and venues. They have now built relationships in Helsinki's start-up scene, used social media and an online appointment booking system to promote their business, and have now opened a permanent shop in Helsinki.

### Discover Lisbon Apartments – Portugal: PEI Initiative



Paulo Eleutério and Tiago Vieira are two Brazilian migrants who participated in the PEI programme, and who subsequently opened two well-established, profitable businesses in Lisbon, Portugal. They first opened Discover Lisbon Apartments, which offers self-catered apartments for visitors to Lisbon. Their second business, building on their first success, is the Tribo Tapiocaria Tapas Bar, which serves traditional food and drinks to tourists and locals in the centre of Lisbon.

### Annonciate Mukamunana – Rwanda: Inkomoko



Annonciate Mukamunana is a Congolese refugee living in the Gihembe Refugee Camp in the north of Rwanda. Together with her two associates, she runs a tailoring business within the camp. All three have disabilities and have collaborated to prove that their disabilities do not prevent them from running a successful business. Annonciate credits the Inkomoko training programme with enabling them to develop their financial literacy and financial management skills, which they now use to keep track of the business's performance. In addition, Annonciate and her associates were given a loan of US\$200 from the African Entrepreneur Collective, which has enabled them to purchase more stock and prepare for larger orders. Their next aim is to buy improved sewing machines.

### Dorcas – Uganda: VST



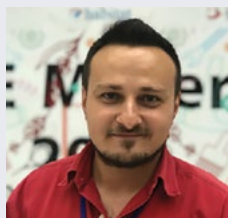
Dorcas is a South Sudanese mother of four living in the Nyumanzi refugee settlement in Uganda. Having participated in the Norwegian Refugee Council's Vocational Skills Training programme, she decided to collaborate with three other women to run a beauty parlour in the camp. Dorcas plaits her clients' hair and sells beauty products, and the money she now earns allows her to cover her rent and additional costs.

### Marisna Day Care – USA: BCNA



Aguiratou Ouedraogo, a refugee from Burkina Faso, started Marisna Day Care in the Bronx in 2014. The business provides childcare for 12 children, whose ages range from newborn to five years old. It employs two other staff members. In 2016, Aguiratou invested US\$4,000 of her own savings, matched by a US\$4,000 grant from the BNCA's IDA Programme for Refugees, in the purchase of new equipment for her business, including a computer and refrigerator. More recently, she secured an additional US\$5,000 loan from the BNCA to expand her business, which will move to larger premises and provide care for more children.

### Ejad Job – Turkey: IMECE



Mohammad Kawsara is a Syrian refugee who participated in the IMECE programme in Turkey. He is a software developer who struggled to find a job appropriate to his skill level in the Turkish labour market. Having observed the mismatch between labour-market demand for highly skilled software developers and the low-skilled jobs that refugee developers were doing, Mohammed decided to develop a web-based employment platform, Ejad Job, that connects Turkish companies with Syrian and other refugees, particularly skilled developers who can work in Arabic, Turkish and English. The IMECE entrepreneurship training increased his knowledge of business and helped him to develop a clear plan. Crucially, the small grant that he received from IMECE enabled him to register and start his business.

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### Sephora and Weasley – Argentina: MIRARES

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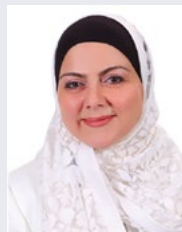


Sephora and Weasley, two Haitian asylum seekers, came to Argentina in 2014. They had been struggling to make a living selling clothes and alcoholic beverages in the informal economy. They came to MIRARES in March 2017 when Sephora was six months pregnant and the need to secure a more stable income was becoming increasingly urgent. With the support of MIRARES, the couple evaluated their capabilities and identified a market opportunity selling juices in the local market. They developed a business plan and received seed funding of US\$80 to open a stand where they could sell juices on weekends. Encouraged by the demand for their juices, Sephora and Weasley applied for a microcredit loan of US\$300 in order to expand their product line and professionalize their business with the acquisition of more equipment and raw materials. The couple is now able to cover their family's basic needs and pay their loan instalments on time.

### International Robotics Academy

Jordan: Business Development Centre

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Lama Sha'sha'a is a mother of four. While watching her kids, she noticed that children enjoy learning by doing and can be motivated and engaged in learning in an environment that allows creativity, team-building, analytical thinking and problem-solving. Attending Empretec Jordan, the entrepreneurship programme run by the

Business Development Center in cooperation with UNCTAD, was the start of her success. She created the International Robotics Academy, which offers support in STEM (science, technology, engineering and mathematics) and robotics to schools through professionally trained engineers, along with STEM and robotics kits and modules developed as applications of educational concepts.

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## 3. MIGRANT AND REFUGEE ENTREPRENEURSHIP: BARRIERS AND CHALLENGES

Many migrants and refugees experience hurdles to entrepreneurship related to language and cultural barriers, lack of financial capital (e.g. access to banks and collateral) and lack of social capital (e.g. access to support networks). Refugee entrepreneurs often face barriers related to their legal status, which can include lack of the right to work and seek self-employment, lack of recognition of refugee documentation, unplanned forced displacement and its related psychological effects. Both may also be negatively affected by xenophobia and stigma about their status in the host country.

Specific support measures to assist migrants and refugees in overcoming such barriers may not only be necessary to spur business creation, but also to make such businesses more sustainable. Research has shown that the higher rates of business creation among migrants relative to natives is often accompanied by lower business survival rates.<sup>33</sup>

This section details the main barriers to migrant and refugee entrepreneurship, broadly organized under the pillars of the UNCTAD Entrepreneurship Policy Framework.

### 3.1 Policy and regulatory environment

#### Rights to work and support

Restrictive policies on immigration, refugees and visas limit rights to work and to self-employment. Many countries have legal limitations for migrants and refugees to work or be self-employed, either dependent on the duration of their stay in the country or employment/self-employment in particular professions. The New York Declaration for Refugees and Migrants encourages host countries to open their labour markets to refugees, and the objectives in the Global Compact for Safe, Orderly and Regular Migration include eliminating discriminatory restrictions on employment and making host-country labour markets more inclusive.

Restrictions on social security may also pose difficulties for aspiring refugee and migrant entrepreneurs, especially given their lack of access to sources of credit. In many countries, registering a new business may mean forfeiting the right to unemployment or welfare benefits. In

Issue	Specific challenges
Rights to work and support	<ul style="list-style-type: none"> <li>• Lack of rights to work and/or self-employment</li> <li>• Lack of clarity on implications of entrepreneurial activity for access to social protection (e.g. welfare support)</li> </ul>
Regulatory barriers to starting a business	<ul style="list-style-type: none"> <li>• Unclear registration processes</li> <li>• Lack of clarity on link between legal status and business regulations</li> <li>• Lack of clarity about foreign ownership rules</li> <li>• Limited knowledge of regulatory requirements</li> <li>• Limited interpretation and translation services at local authorities</li> </ul>
Locational policies	<ul style="list-style-type: none"> <li>• Limited locations providing entrepreneurship education programmes</li> <li>• Limited mobility due to distance of refugee camps and security concerns</li> </ul>
Consequences of sudden forced displacement	<ul style="list-style-type: none"> <li>• Complex processes for recognition of prior qualifications</li> <li>• Lack of recognition of refugee documentation for the purpose of registering a business</li> </ul>

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addition, business owners are often required to pay tax and social security contributions before their business becomes profitable.

Rights to work and to establish a business are bound to migration management systems and the (legal) channels through which migrants enter a country. Thus, as the basis for policies or programmes to promote entrepreneurship among migrants and refugees, policymakers need a full understanding of the complementarities between regulatory frameworks for businesses and migration policies.

### Regulatory barriers to starting a business

Setting up and running a business may involve meeting complex regulatory and administrative requirements (such as registering the business, obtaining permits and licences, meeting social security and labour obligations, and completing tax forms). These may be challenging for native-born entrepreneurs to navigate but are likely to pose even greater obstacles for migrant and refugee entrepreneurs who may have limited language skills and little knowledge of the relevant administrative systems and institutions in the host country. Registering a business may require providing evidence of professional qualifications or experience, which may be more difficult for migrants and refugees whose qualifications and skills were not earned in the host country.

In many countries the registration processes for migrants and refugees interested in starting a business are unclear. Although longer-resident migrant and diaspora entrepreneurs may be in an ideal position to assist newcomers in navigating regulatory systems, they are an under-utilized resource in many countries owing to their lack of organization in an accessible and visible support system.

Lack of proficiency in the language of the host society may further limit migrant and refugee entrepreneurs' access to relevant information and their ability to deal with bureaucratic processes, as can the lack of interpretation and translation services at local authorities.<sup>34</sup> Again, older cohorts of migrants and refugees can provide language resources to assist new migrants in understanding local systems and processes.

### Locational policies

Locational issues may have a determining effect on the socioeconomic integration of refugees and migrants in the host economy and on their opportunities to build sustainable livelihoods. Whether a refugee or a migrant is accommodated in a dedicated facility or within the host community, and whether this is in an urban or rural area, must be taken into account in the design of entrepreneurship programmes. Camps, in particular, limit freedom of movement, contact with the host society and access to educational and employment opportunities. In protracted situations, camp settings may pose risks such as the development of a dependency on aid and "brain waste" if refugees and migrants with professional skills and experience are not enabled to use and maintain them. Outside of camps, formal or informal regulation may still obstruct their socioeconomic integration and opportunities to build sustainable livelihoods. Their integration may depend on whether national policy allows refugees to settle where they prefer (usually in large cities where they benefit from stronger social networks and better market opportunities), or whether they are subject to dispersal policies which spread them out across a host country.

Location is also a factor in the roll-out of entrepreneurship support programmes. Accommodation in camps may make the distribution and delivery of assistance easier as the target population is readily identifiable and geographically concentrated. However, delivering a programme in a camp may be problematic if secure access is not guaranteed, if a camp is located at a significant distance from urban centres or other camps, or if the necessary physical infrastructure is not available.<sup>35</sup>



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## Consequences of sudden forced displacement

Refugees and migrants may not be prepared enough for life in a new country, considering how much time they have had to prepare for their arrival and their productive capabilities. Unplanned flight, in particular, has practical consequences: refugees may not have had the opportunity to collect documents, including educational certificates, prior to their movements, which may make it challenging to demonstrate status or competencies in a host country. Where refugees do have documentary evidence of their formal qualifications, lack of equivalence or recognition of foreign qualifications may pose a barrier in more highly regulated sectors. These issues are compounded in situations of multiple displacement, where refugees may be in a temporary situation that sees them move within a country, or onward to another country. Similar challenges may occur for migrants who change status, routes and destinations on their migration journey.<sup>36</sup>

## 3.2 Education and skill development

### Language and cultural barriers

Many migrants and refugees experience a loss of human capital upon arrival in a host country because of linguistic and cultural barriers. This may limit the types of business they can undertake, especially if they seek to avoid interaction with customers outside of their ethnic community. They may struggle to understand mainstream consumer needs and preferences, as well as the business culture and norms of the host society. Their entrepreneurial ambitions may be frustrated by stigma and discrimination, especially if they lack proficiency in the host-country language, and if their enterprises are associated with certain goods and services.<sup>37</sup> The interconnectedness of issues of cultural and linguistic competence with business design and survival underscores the need to tailor integration support systems to different migrant and refugee populations.

### Disconnection from entrepreneurship education

An additional barrier facing migrant and refugee entrepreneurs is the inaccessibility of entrepreneurship programmes in host countries, mainly owing to those language and cultural barriers. Linkages between broader integration initiatives and entrepreneurship support are often limited. Further, vocational education programmes available for migrants and refugees often neglect the development of business skills that could lead to better labour-market outcomes beyond employment. A key element of promoting entrepreneurship for migrants and refugees is therefore ensuring that they are included within broader entrepreneurship support initiatives.

Issue	Specific challenges
Language and cultural barriers	<ul style="list-style-type: none"><li>• Lack of rights to work and/or self-employment</li><li>• Lack of clarity on implications of entrepreneurial activity for access to social protection (e.g. welfare support)</li></ul>
Disconnection from entrepreneurship education	<ul style="list-style-type: none"><li>• Lack of entrepreneurship programmes accessible to migrants and refugees</li><li>• Limited linkages between entrepreneurship education and other integration programmes</li><li>• Limited linkages between vocational education and entrepreneurship education</li></ul>
Inappropriate pedagogies	<ul style="list-style-type: none"><li>• Limited programmes focused on developing an entrepreneurial mindset</li><li>• Disconnect between basic entrepreneurship training and ongoing, longer-term support</li><li>• Lack of teaching materials in migrant and refugee languages</li></ul>

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### Inappropriate pedagogies

Many entrepreneurship education programmes for migrants and refugees are insufficient to develop an entrepreneurial mindset. Their content often concentrates on practical concepts such as separating household and business finances, accounting, marketing, inventory management or customer service, and less on entrepreneurial skills. Furthermore, short programmes can introduce participants to entrepreneurship and develop basic skills, but longer-term support is needed to support entrepreneurs as they launch their businesses. Finally, many educational materials used in programmes have not been translated.<sup>38</sup> Migrants and refugees themselves could be a useful resource in providing continuous mentorship and support for other migrant entrepreneurs, especially those who want to foster closer links between their business and supply chain partners in different countries.

## 3.3 Technology exchange, innovation and the environment for start-ups

### Weak ecosystem linkages

It is important to recognize that the political economy of much migration and forced displacement traps mobile populations in environments that constrain their productive economic activity and social mobility. Migrants and refugees often reside in the poorest areas of host societies, where they may face compounded vulnerabilities such as insecure housing, health risks, lack of access to quality education and sustainable livelihoods, and the resulting recourse to negative coping strategies that hinder successful entrepreneurship in more innovative or higher-value types of business. In such environments, migrants and refugees, and indeed other low-income members of the host community, may be pushed towards low-profit business areas and informal economic practices.

This may lead to a disconnect between migrant and refugee entrepreneurs and the broader entrepreneurship and innovation ecosystems, resulting in limited access to working spaces, infrastructure or incubator facilities for such entrepreneurs trying to establish innovative start-ups. In working to overcome these issues, policymakers should be aware of the precarious conditions in which many migrants and refugees live (and which they share with host-community members) and should ensure that measures introduced to support entrepreneurship among migrants and refugees are made equally accessible to host-community members.

### Weak diaspora networks

Many migrants and refugees risk losing connections to their social networks in countries of origin and among the broader diaspora. The erosion of social networks may weaken the linkages that could provide aspiring entrepreneurs with the diversity of resources they need to launch and sustain a successful start-up. This challenge or risk can be offset by the strengths of co-ethnic communities and diaspora networks that in the country of destination, and over time

Issue	Specific challenges
Weak ecosystem linkages	<ul style="list-style-type: none"><li>• Limited linkages with the private sector and broader entrepreneurship and innovation ecosystem</li><li>• Limited linkages with and university-based entrepreneurship centres</li><li>• Inadequate access to working spaces and infrastructure</li><li>• Mixed ICT skills</li></ul>
Weak diaspora linkages	<ul style="list-style-type: none"><li>• Limited linkages to entrepreneurship and innovation opportunities and ideas in countries of origin</li></ul>

migrants and refugees may forge new connections (or revitalize old ones) that can support their entrepreneurial ambitions.

Diaspora networks can provide a wealth of resources that can support both migrant and native business owners in establishing and expanding enterprises, particularly into international markets. Such resources can include start-up and growth finance mobilized from a diaspora community, information on market conditions and regulatory frameworks in countries of residence and origin, and access to potential business and supply chain partners in different localities.

### 3.4 Access to finance

#### Limited access to finance

Migrant and refugee entrepreneurs, and especially those from less developed countries, typically struggle to access credit through the formal banking sector owing to both a lack of credit history and a lack of collateral with which to secure loans. These difficulties may be particularly acute for refugees who had to flee their countries of origin in haste and may not be able to return, and who therefore do not have access to their capital and documentation. Loan providers may perceive migrant and refugee enterprises as high-risk and low-profitability ventures, may be distrustful owing to prejudice or because refugees struggle to provide the required documentary evidence, and may lack knowledge of the business sectors in which refugee and migrant entrepreneurs typically concentrate. Refugees may also face issues related to a lack of documentation issued by the country of asylum, which further impedes their abilities to open a bank account or obtain credit.

#### Reliance on informal finance

In addition to legal and administrative barriers to access, migrants and refugees may avoid engaging with formal banking institutions due to perceptions that they are not welcome or will be discriminated against. They may lack knowledge of relevant financial support structures and regulatory requirements, placing further distance between such communities and formal financial institutions. Access may also be challenged by low levels of financial literacy and the absence of language support. Cultural beliefs and norms may influence take-up of formal financial services among migrants and refugees, who may be reluctant to take on debt, accept or pay interest or use co-signers to secure loans, thus constraining their participation in mainstream credit markets. For these reasons, for funding to set up their businesses, migrants and refugees often rely on personal savings and on informal lending from family, friends, the co-ethnic community and the broader diaspora.<sup>39</sup>

Issue	Specific challenges
Limited access to finance	<ul style="list-style-type: none"> <li>• Limited access to start-up financing</li> <li>• High credit and collateral requirement</li> <li>• Limited credit history</li> <li>• High restrictions on access to finance and bank accounts based on legal status</li> </ul>
Reliance on informal finance	<ul style="list-style-type: none"> <li>• Low financial literacy levels</li> <li>• Absence of translation services to assist with filling out finance applications</li> </ul>

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## 3.5 Networks and awareness

### Lack of support networks

The ability to leverage co-ethnic support networks is often viewed as a motivating factor for entrepreneurial activity. In certain contexts, migrants and refugees may not have such networks in their country of destination, particularly if it is not one of the traditional receiving countries for their origin country. Further, through their migration or forced displacement, migrants and refugees may have become disconnected from their previous networks. Studies of refugee entrepreneurship emphasize that digitally supported diasporic networks cannot replace local community networks for help with day-to-day practicalities, and that lacking such local social capital, migrants and refugees may face greater difficulties in accessing support and information and navigating the host country's institutional and regulatory environment for businesses. Beyond co-ethnic networks, migrants and refugees often lack the broader social networks that are essential for succeeding as an entrepreneur. Recently arrived migrants and refugees from particular countries and cultures may be particularly disadvantaged in accessing social networks compared with those whose countries and cultures have long been present in the destination country.<sup>40</sup>

Although local networks remain pivotal in supporting the entrepreneurial activities of migrants and refugees, the changing patterns of movement and the shifting demographics of migrant populations have created new opportunities for the formation of strong, transnational business networks. Diaspora networks are generally expanding amid diversification of the destination countries of migrant populations and the diversification of the internal composition of migrant groups, which increasingly include less heterogeneous populations in terms of skill level, region of origin, gender, and other characteristics. This expansion has fuelled the development of specific diaspora organizations and networks, some of which have been designed with the explicit aim of supporting global entrepreneurship.

### Populism and xenophobia

Migrants and refugees experience discrimination and stigmatization in many host counties – with significant impacts on their ability to grow successful businesses. Policies – whether formal or informal, public or private – can have a determining influence on whether migrant and refugee entrepreneurs are able to overcome the loss of human, financial and social capital that they often experience in moving from one country to another. Enabling national legislation (e.g. that gives rights to freedom of movement, employment, self-employment and property), favourable government policy (e.g. on the recognition of qualifications, access to welfare benefits, affordable language training and other educational opportunities), active private sector engagement (e.g. inclusive financial institutions, business associations and local businesses) and supportive local communities (e.g. that engage with and champion the socioeconomic integration of newcomers), can be the enablers of successful entrepreneurship among migrants and refugees.

Issue	Specific challenges
Lack of support networks	<ul style="list-style-type: none"><li>• Disconnection from previous networks</li><li>• Lack of co-ethnic networks</li><li>• Disconnection from broader entrepreneurial networks</li></ul>
Populism and xenophobia	<ul style="list-style-type: none"><li>• High levels of stigma towards and discrimination against migrants and refugees</li><li>• Insufficient promotion of role models</li><li>• Limited promotion of migrant and refugee entrepreneurship initiatives</li></ul>

# **PART 2.**

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# 1. FORMULATING A COHESIVE STRATEGY ON MIGRANT AND REFUGEE ENTREPRENEURSHIP

The policy objectives and policy options offered in this guide are not meant to be one-size-fits-all. Each jurisdiction should focus on formulating a cohesive approach to migrant and refugee entrepreneurship that considers relevant contextual factors. In many settings, there will not be a migrant or refugee entrepreneurship approach or policy. This section aims to give recommendations on how to begin the policy conversation on developing a cohesive approach. Policymakers should ground the development of policy options in a contextual analysis of the economic and social inclusion of migrants and refugees. The contextual analysis should concentrate on three key areas:

- (i) **Local entrepreneurial ecosystems:** Economic opportunities for migrants and refugees depend on the host countries' overall entrepreneurial ecosystems (affecting both native and non-national entrepreneurs), as well as on factors specific to refugee and migrant entrepreneurship (e.g. local diaspora, relationships between host and home countries, access to or demand for business support services, urban or rural considerations and community-level factors).
- (ii) **Individual competences and skills:** The availability of training programmes and skills development schemes is an important factor in facilitating entrepreneurial activities. The scouting of migrants' and refugees' capacities is also key to assessing opportunities and developing solutions.
- (iii) **Regulations and integration regimes:** The degree to which refugees and migrants manage to seize entrepreneurial opportunities depends on the host country's integration rules and regulations. Achieving clarity on regulations and local integration schemes is principally aimed at establishing the parameters of what is possible in an existing framework. It is important to appreciate regional, national and local regulations and integration regimes that may affect migrant and refugee entrepreneurship.

This section draws on discussion with experts to illustrate how cohesive approaches to migrant and refugee entrepreneurship are being promoted in diverse contexts. The policy options presented here highlight the importance of alignment with country-specific challenges, the local policy landscape, broader national entrepreneurship, migration and refugee policies and international frameworks. Finally, policymakers need to set specific goals and targets, and measure the impacts and results of migrant and refugee entrepreneurship initiatives. The table below summarizes the policy objectives and recommended actions.

**Policy Area 1 - Formulating a cohesive strategy on migrant and refugee entrepreneurship**

Policy options	Recommendations
<p><b>Identify country-specific (and more localized) opportunities and challenges for migrant and refugee entrepreneurship</b></p>	<ul style="list-style-type: none"> <li>• Map the state of migrant and refugee entrepreneurship in the country and in its regions, considering the differences within each group</li> <li>• Profile migrant and refugee skills, capabilities and experience to understand the potential for entrepreneurship</li> <li>• Identify industries and sectors that provide potential opportunities for entrepreneurship</li> </ul>
<p><b>Ensure coherence of migrant and refugee entrepreneurship approach with broader entrepreneurship, migration and refugee policies at local, national and regional levels</b></p>	<ul style="list-style-type: none"> <li>• Assess potential sources of incoherence or conflict between national and local strategies for entrepreneurship and for migration management and integration, potentially with the use of tools such as IOM's Migration Governance Indicators and the KNOMAD Dashboard of Indicators for Measuring Institutional and Policy Coherence</li> <li>• Align migrant and refugee entrepreneurship approaches with migration policy and refugee policy at all levels</li> <li>• Align migrant and refugee entrepreneurship strategies with broader enterprise development policy, and ensure appropriate institutional ownership</li> <li>• Identify local stakeholders (e.g. private sector, co-working spaces, community centres, incubators and accelerators) that could support migrant and refugee entrepreneurship</li> <li>• Detail implications for welfare support and the integration process of migrants and refugees starting a business, and consider allowing them to engage in entrepreneurship initiatives and activity while receiving welfare support, ensuring that such support does not disincentivize entrepreneurial or livelihood activities</li> </ul>
<p><b>Ensure coherence of migrant and refugee entrepreneurship approach with international frameworks</b></p>	<ul style="list-style-type: none"> <li>• Identify specific targets, goals and indicators in the 2030 Agenda for Sustainable Development, for which migration, displacement and entrepreneurship policy areas intersect, and define actions that could maximize benefits by linking entrepreneurship, migration and displacement policy areas</li> <li>• Align migrant and refugee entrepreneurship approaches with the "Guiding principles on the access of refugees and other forcibly displaced persons to the labour market" of the International Labour Organization</li> <li>• Identify ways of aligning migration and entrepreneurship policies and programmes with the objectives and outcomes foreseen in the 2015 New York Declaration and forthcoming global compacts on refugees and for migration</li> <li>• Align migrant and refugee entrepreneurship approaches with the UN New Urban Agenda</li> <li>• Consider lessons learned and guidelines developed by the UN Joint Migration and Development Initiative</li> <li>• Align refugee entrepreneurship approach with obligations of concerned States under international and national refugee law</li> </ul>
<p><b>Measure and share the results of migrant and refugee entrepreneurship initiatives</b></p>	<ul style="list-style-type: none"> <li>• Develop specific goals and clear performance metrics for migrant and refugee entrepreneurship initiatives</li> <li>• Conduct regular, comprehensive evaluations and widely disseminate results and lessons learned to inform stakeholders about intervention functioning</li> <li>• Incorporate feedback from evaluations to enhance the impact of migrant and refugee entrepreneurship initiatives</li> </ul>

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## 1.1 Identify country-specific opportunities and challenges for migrant and refugee entrepreneurship

One of the first steps in formulating a coherent approach to migrant and refugee entrepreneurship is to map its state within a country or region. Where possible, policymakers should invest in research on the level of entrepreneurship among different groups of migrants and refugees as well as on profiling migrant and refugee skills, capabilities and experience to understand the potential for entrepreneurship. An important step is to assess and map the support available to migrants and refugees through targeted and general entrepreneurship initiatives, to identify gaps in support and programmes that could be scaled up. Inclusive entrepreneurship promotion can be achieved through engaging with existing initiatives and programmes to gain insights on how they can better support migrant and refugee enterprises.

Migrants and refugees should not be seen as a homogeneous group. Differences in demographic, geographic and legal factors shape the possibilities for entrepreneurship and supporting initiatives. Policymakers should consider differences such as the legal status, nationality, education, gender and age; an understanding of how these characteristics vary between and within different refugee and migrant groups allows policymakers to develop more targeted and therefore effective interventions.

Box 1.1 illustrates how many entrepreneurship initiatives are analysing country-specific and more localized contextual factor to shape their programmes. These initiatives are identifying potential industries where business opportunities might exist for migrant and refugee entrepreneurs. Through focusing on relevant untapped markets and industries, these initiatives are avoiding issues related to local market saturation.

## 1.2 Ensure coherence of migrant and refugee entrepreneurship approaches with broader entrepreneurship, migration and refugee policies at local, national and regional levels

Migrant and refugee entrepreneurship policy initiatives should not be developed in isolation from broader policies on entrepreneurship, migration and refugees. Successful migrant and refugee entrepreneurship policies need to align with the broader agenda on entrepreneurship, integration and inclusion to ensure synergies are achieved. Policymakers should consider how to align migrant

### Box 1.1. Initiatives that consider country-specific and more localized opportunities and challenges

**Europe:** The *European Union's Entrepreneurship 2020 Action Plan* recognizes that migrants represent a pool of insufficiently tapped entrepreneurial potential, given that, despite their higher rates of business creation, they face particular difficulties due to informational, knowledge and language barriers. The Action Plan therefore recommends that member States explore policy and legislative interventions to facilitate migrant business start-ups, and provide opportunities for migrants to access relevant information and business networks.

**Germany:** The *Endeva project* aims to identify particular opportunities for refugee entrepreneurship in Germany, in partnership with business incubators and support centres. Based on an understanding of refugees' skills and needs, Endeva is researching and cataloguing profitable, scalable and replicable business models within the communities where it works that can provide routes to successful economic integration.

**Global:** *UNHCR* is using a market and value chain analysis in almost all operations where it has Livelihoods programming, mapping out specific business opportunities and challenges for refugees in the local market.

 **Turkey:** *IOM's Livelihood* programme conducts market research ahead of the selection of participants, in order to identify where refugee entrepreneurs could fill gaps in the local economies and to inform the selection of geographic areas where the program will work.

 = See case studies in the Annex



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and refugee entrepreneurship policy initiatives with the broader policy landscape, paying attention to policy initiatives at the supranational, national, state and local levels to ensure that coherent policy actions are developed. The forthcoming IOM guide on Migration and Agenda 2030 is a useful tool for this exercise.

Box 1.2a illustrates supranational, national, state and local policy initiatives that provide opportunities for ensuring a coherent approach to migrant and refugee entrepreneurship aligned with broader policies. Box 1.2b provides a detailed discussion of the Graduation Model Approach (GMA), which provides insight on how policymakers can ensure coherence of migrant and refugee entrepreneurship with the broader policy agenda. Boxes 1.2c, 1.2d, 1.2e and 1.2f provide additional detail on specific examples of supranational (Europe), national (United States), state (Victoria, Australia) and local (OECD) attempts to ensure policy coherence.

### Box 1.2a. Initiatives that ensure coherence of migrant and refugee entrepreneurship approach with broader entrepreneurship and migration and refugee policies

#### Supranational level

**Europe:** The *EU strategy to promote migrant entrepreneurship* acknowledges that entrepreneurship is a powerful driver of economic growth and that migrants represent an important pool of potential entrepreneurs. But migrants can face specific legal, cultural and linguistic obstacles, so the European Commission aims to facilitate entrepreneurship among migrants. The Commission considers it important to share approaches, practices and lessons learned between public administrations, business development and financial organizations, social enterprises, non-profit organizations and educational institutions supporting migrant entrepreneurship at the local, regional and national levels.

**Africa:** Building on bilateral visa-waiver agreements between Ethiopia and Kenya, Ethiopia and Djibouti, and Kenya and Uganda, member States of the *Intergovernmental Authority on Development (IGAD)* are moving towards a regional protocol on the free movement of persons.

**East Africa:** The *East African Community (EAC)* has long emphasized free movement of persons as a cornerstone of regional cooperation and integration. In addition to the 2009 Protocol on the Establishment of the EAC Common Market, which removes restrictions on the movement of labour and services, EAC has further promoted movement of entrepreneurs and service providers with the adoption of mutual recognition agreements to ensure the transferability of skills within specific professions (e.g. engineers).

**West Africa:** The free movement protocols adopted by the *Economic Community of West African States* give refugees the same rights to residence and employment that citizens of the Community enjoy.

**Southern Africa:** The *Southern African Development Community (SADC)* promotes cooperation between member States to strengthen economic growth, peace and security, and human development. SADC immigration services are developing a Protocol on the Facilitation of Movement of Persons in order to reduce barriers to SADC citizens' entry and residence in other member States, and to protect their rights and labour-market access in those States.

**Southeast Asia:** The *Association of Southeast Asian Nations* plays a coordinating role in the region, establishing common policy frameworks and collaboration in areas such as economic growth, social progress, and peace and stability. In November 2017 Association leaders signed the Consensus on the Protection and Promotion of the Rights of Migrant Workers, which sets out the region's commitment to the humane and fair treatment of migrant workers, and to improving their access to justice, social protection and health care services.

#### National level

**Costa Rica:** *Living Integration* is UNHCR's Livelihoods programme in Costa Rica to help refugees improve their local integration. The objective is to empower vulnerable refugees to build sustainable livelihoods through employment or self-employment. The programme benefits from an enabling national policy environment. Costa Rica allows refugees two asylum appeals and grants them the right to work and attend schools while their petitions are processed. The General Law on Migration and Foreigners in 2009 and the National Integral Policy on Migration (2013–2023) were first steps towards creating a comprehensive policy framework on immigration. The law and policy are noteworthy for their definition of integration, which included immigrants, returnees and the diaspora.

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### Box 1.2a. Initiatives that ensure coherence of migrant and refugee entrepreneurship approach with broader entrepreneurship and migration and refugee policies (Concluded)

**Ecuador:** The recent introduction of the *Human Mobility Law* grants refugees residency status in order to enable their full integration into society. ID cards are being distributed to help refugees access their constitutional rights.

**Somalia:** A partnership between the *International Labour Organization and the Government of Japan* aimed to support Somali refugee returnees in establishing sustainable livelihoods, including through business start-ups. The project is directly linked to UNHCR's repatriation and integration programme for refugees and IDPs in Somalia, as well as to the Joint Programme Local Governance, in order to ensure close coordination with broader work on refugee repatriation and integration and local governance efforts to support ongoing peace and reconciliation in the area as outlined in the Somali Compact.

**United States:** The *Office of Refugee Resettlement (ORR)* not only supports refugee entrepreneurship through its Microenterprise Development (MED) programme grants, but also drafts, proposes and implements national policy for refugee resettlement, identifies emerging refugee-related issues, and responds to legislative, policy and Congressional inquiries.

#### State level

**Australia:** LaunchVic is the State of Victoria's start-up ecosystem development agency, which invests in research, marketing, events and other economic development. It aims to create the right environment to drive investment in start-ups and increase the number of successful companies that contribute to the economy through jobs and contribution to the gross domestic product. Its key strategic goals are to engage the Victorian community in the start-up ecosystem, and position Victoria as an internationally recognized start-up ecosystem. Its strategy emphasized the need for more programmes and activities to drive diversity and inclusion in the start-up community. LaunchVic's third funding round is an example. Announced in June 2017, the grant round sought to support organizations in delivering programmes that improve access to and participation in the Victorian start-up ecosystem for first-generation migrants and refugees.

#### Local level

**Spain:** The Barcelona City Council's development agency launched an inclusive entrepreneurship model in 2004, to make entrepreneurship a realistic option for everyone. Closely involving expert stakeholders, Barcelona Activa's model is "universal", "tailor-made", "blended" and "integrated": it targets everyone willing to be an entrepreneur. Its tools and services are adapted for the most vulnerable population, which may not benefit from conventional entrepreneurship services. It combines online and on-site tools and services, enabling people with time and mobility limitations to create their personalized itinerary to start-up. For people who are not ready to start a company, it offers the possibility of training and coaching. The model has supported 18,000 new companies, creating 32,000 jobs.

### Box 1.2b. The UNHCR Graduation Model (International level)

The GMA is a programme to enhance self-reliance among families living in extreme poverty. UNHCR, supported by Trickle Up, has been implementing this model in refugee contexts since 2014.

- The GMA includes the following components:
- Identify the most vulnerable households within a community
- Provide a regular and time-bound cash transfer to enable them to meet basic needs
- Help families plan their livelihoods and transfer their productive assets
- Develop their ability to save money as a tool to build resilience
- Enhance their technical and entrepreneurial skills through livelihood training
- Ensure the close mentorship of participants throughout the process in a way that develops their self-confidence

**Impact in Ecuador:** The GMA is the main tool of UNHCR's Livelihoods strategy in Ecuador. UNHCR Ecuador piloted the GMA in 2015 with 200 urban refugee households, most of them from Colombia, but some locals. Just 18 months after services commenced, participants reported an overall increase in income. The programme had a graduation success rate of 72 per cent. The average household income per capita was at US\$66.31 in 2015, which increased to US\$86.09 in 2017, thus indicating the programme's success in enabling participant households to meet the income benchmark of the GMA. The current GMA started in April 2016 and had enrolled 2,272 families by December 2017. About 260 families had graduated by the end of December 2017. It is estimated that approximately 80 per cent of the graduates set up their own small business. Some 600 new families are expected to be integrated in 2018.

**Impact in Costa Rica:** The GMA is a major component in UNHCR's Living Integration programme, which aims to empower vulnerable refugees to build sustainable livelihoods through employment or self-employment. Nearly 2,000 refugees have benefited from the Living Integration programme since 2014. Among the 200 participants in the 2014 pilot GMA project, unemployment rates decreased from 36 per cent to 4 per cent, while self-employment increased from 24 per cent to 59 per cent.

**Replicability:** Results from UNHCR pilots in Ecuador, Costa Rica and Egypt have illustrated how the approach can successfully be extended to support refugees. This has led UNHCR to expand the approach to Argentina, Burkina Faso, Mozambique, Sudan, Zambia and Zimbabwe.

GMA programming is growing fast with an estimated 60 implementations around the world. It is becoming an integral part of government social protection systems and regular NGO and donor programming.

*Source:* CGAP, State of graduation programs, December 2016.

### Box 1.2c. European Union strategy to promote migrant entrepreneurship (Supranational level)

Facilitating entrepreneurship among migrants is a goal of the EU Entrepreneurship 2020 Action Plan and the EU Action Plan on the integration of third-country nationals. The European Commission considers it important to share approaches, practices and lessons learned between public administrations, business development and financial organizations, social enterprises, non-profit organizations and educational institutions supporting migrant entrepreneurship at the local, regional and national levels.

Two actions have been taken: In 2016 the EU held a conference and published a guidebook on migrant entrepreneurship. In June 2017 the EU started four two-year projects on entrepreneurial capacity-building for young migrants (ME4Change, EntryWay, Fresh Start and YOU-ME) that cover nine countries: Belgium, Finland, Germany, Greece, Italy, the Netherlands, Spain, Sweden and the United Kingdom. Each project has three foci:

- Identifying of potential entrepreneurs among migrants, and raising the awareness about entrepreneurship within migrant communities
- The delivery of training programmes (e.g. on entrepreneurship, business planning, legal aspects of setting up a company and hiring employees, etc.)
- Supporting migrant entrepreneurs and would-be entrepreneurs through mentoring schemes

To promote the development of networks and the exchange of best practices in migrant entrepreneurship, four projects were launched in October 2017 (EMEN, EMEN-UP, MAGNET and MEGA) covering 11 countries: Austria, Belgium, Bulgaria, France, Germany, Greece, Italy, the Netherlands, Poland, Spain and the United Kingdom. These projects focus on supporting the networking of organizations working in migrant entrepreneurship through:

- facilitating mutual learning
- evaluating and improving support schemes
- transferring good practices
- exploiting synergies
- developing strategic collaborations

In particular, EMEN (the European Migrant Entrepreneurship Network) identifies and promotes the quick implementation of best practices in supporting migrant entrepreneurs who may not be reached by traditional business start-up support services. The project aims to develop and promote support schemes not only for migrant entrepreneurs but also for social and inclusive enterprises benefiting migrants. EMEN will help service providers improve the quality of their services as well as innovate and expand them.

The project aims to build three communities of practice that are open to all those who support migrant entrepreneurship. Each community will address a key component of a comprehensive ecosystem to support migrant entrepreneurship:

- Coaching and mentoring (led by Social Impact GmbH, a Berlin-based social innovation agency)
- Access to finance (led by THUAS-FINE, the Research Unit for Financial Inclusion and New Entrepreneurship of The Hague Hogeschool)
- Professionalization and diversity management (led by UNITEE, the only EU-level organization representing entrepreneurs and professionals with migrant backgrounds)

These three areas are key to supporting migrant entrepreneurship in the short to medium term. The communities of practice operate through web forums and teleconferences and also meet at annual conferences as well as at workshops added onto other events. The project thus will enable peer learning among practitioners, and the knowledge gathered will be synthesized and disseminated through the project website, publications and presentations at relevant events.

*Source:* European Commission, Migrant entrepreneurs; EMEN, Latest news.

### Box 1.2d. Microenterprise Development Programme, United States (National level)

The ORR MED Programme awards grants to agencies that help refugees develop, expand or maintain their own businesses and become financially independent.

**Objectives:** The overall purpose is to promote economic self-sufficiency in refugees by providing assistance with development, expansion or maintenance of refugee-owned microbusinesses. The program has two objectives: (1) assisting refugees in establishing microenterprise businesses through the provision of MED loans, training and technical assistance, and (2) assisting refugees in developing a credit history and/or repairing their credit score. Allowable activities include technical assistance, maintaining a revolving loan fund (including for credit-builder loans) and a loan loss reserve fund, and administrative activities associated with managing the program. Grant recipients also have the option of providing credit-builder loans for those refugee clients who intend to pursue an MED loan but first need assistance in building or repairing a credit history.

**Target groups:** The programme is available to eligible persons from the following groups: refugees, asylees, Cuban and Haitian entrants, Iraqi and Afghan Special Immigrant Visa holders, Amerasians and victims of human trafficking. Eligible refugee clients may take out a loan to develop a microenterprise business (a small business employing 10 or fewer people and requiring small start-up capital). Most microenterprises are family-owned businesses employing one or two people including the business owner.

**Approaches and activities:** ORR has supported MED projects by funding public agencies, community economic development agencies, local mutual assistance associations and voluntary agencies with grants ranging from US\$146,000 to US\$300,000 per year for five years, through a stiff and competitive grant application process. Recipients are responsible for the implementation of the project consistent with ORR guidelines. They are required to submit a semi-annual narrative, quantitative data and financial report, comparing actual achievements with the goals for the period.

The non-profit organizations may use the grants for a revolving loan fund, a loan loss reserve, and technical assistance such as for networking and outreach activities; providing pre-loan technical assistance such as one-on-one business consultation; training in a classroom setting; business plan preparation and access to business credit. The grant may also be used to provide post-loan technical assistance to refugee-owned businesses and for administrative costs related to the programme.

An eligible client may borrow up to US\$15,000, repayable within 60 months with interest not to exceed the prime rate plus 4 per cent. The loan may be used for working capital, inventory, supplies, furniture, fixtures, machinery, tools, equipment, building renovation and leasehold improvements. Some examples of the business types that client refugees own and manage include ethnic restaurants, convenience stores, tyre retail and repair, phone repair, jewellery retail, auto repair, hair salons, alterations, import/export, trucking, taxicab and limousine operations, medical bill collection and home-based child care businesses.

The MED programmes are responsible for the management and collection of the loans they disburse during the entire project period.

Over the years, ORR has encouraged its grantees to seek loan and operating funds for their MED projects from other sources. Currently, almost all of the ORR MED grantees are recipients of grants from the Small Business Administration, the Community Development Financial Institution Fund of the Treasury Department, foundations, corporations and financial institutions such as Citi, Wells Fargo, Capital One and Bank of America. As a result, a significant portion of the funds they disburse each year to refugee borrowers are leveraged from other sources. The availability of loan funds from other sources has enabled the programmes to lend more than the ORR limit of US\$15,000 to meet the capital needs of these borrowers.

**Impact:** Since 1991 the ORR MED programme has enabled thousands of refugees to become economically self-sufficient by providing them with capital and the necessary training and technical assistance to start their own business. In FY 2015, MED programmes provided services to over 2,000 refugees, including one-on-one counselling, business training, and pre-loan and post-loan technical assistance including business plan preparation and financing to start, expand or strengthen a business. MED programmes have provided 558 loans of US\$8,000 on average to ORR-served populations. Businesses that were created or retained through the MED programme contributed 1,163 jobs to the US economy.

*Source:* ORR, Microenterprise development.

### Box 1.2e. OECD – Local integration of migrants and refugees (Local level)

A recent OECD study titled “Working together for local integration of migrants and refugees” describes how countries, regions and cities can adopt a territorial approach to integrating migrants and why they should do so.<sup>41</sup> It brings together 12 lessons for developing and implementing migrant integration policies at the local level. Integration is a transversal issue that cuts across policy sectors (e.g. education, health, housing, welfare). Cities also intervene in employment and labour integration, providing a wide array of critical services to newcomers and long-established migrants, including entrepreneurship support. The lessons provide the following insights for local authorities aiming to promote migrant and refugee entrepreneurship.

#### Multi-level governance

Local and regional authorities can inform the relevant stakeholders about national initiatives to develop entrepreneurship that apply also to migrants living in their territory. In addition, they can inform higher levels of government about local experience with successful initiatives for migrant entrepreneurship. This exchange can happen, for instance, through thematic dialogues across levels of government that allow for information sharing and coordination (e.g. through initiatives such as national and local round tables, and integrated national strategies). Most interventions in favour of migrant entrepreneurship are local and very reliant on community-based infrastructure and organizations.

#### Breaking silos: integrating policies at the local level

**Information mechanisms:** Local authorities can ensure that information about entrepreneurship opportunities, capacity-building and funding is available to migrants. In particular they can ensure that traditional entry points for newcomers, as well as entities that offer complementary services to migrants, such as local welcome hubs, language training centres, skills assessment and orientation centres, and public employment agencies, are equipped with updated information about entrepreneurship opportunities. Given the low take-up rates for migrants in public support programmes, cities could also reach out more directly to migrant communities.

**Policy coherence:** To ensure that migrants have the opportunity to build entrepreneurship skills like everyone else, local authorities should try to ensure that all relevant policies are aligned. This implies identifying and addressing obstacles that migrants face as a result of their limited knowledge of the local business and regulatory environment as well as obstacles they face in accessing entrepreneurship training for reasons related to lack of information, requirements related to language and to education certificates, and incompatible working hours. In particular, local administrations should take into account the situation of migrant women who might face obstacles in relation to child care and cultural barriers.

Examples:

- Plan Einstein of the city of Utrecht is an eight-week training for entrepreneurs to develop a value proposition for starting their own business. It addresses local community and refugees and is taught in English and Dutch.
- Other cities provide support in the language of the relevant targeted communities; for instance, in Copenhagen an entrepreneurship coaching programme provides courses in many languages through a network of professional coaches from migrant communities to make the support more appealing and to avoid the need for translation or interpretation. Other cities offer integrated entrepreneurship packages with training in languages, marketing skills, the legal and business environment and self-reliance, as well as initial funding.
- Eigen Werk provides integrated packages of entrepreneurship support to all people in Amsterdam.<sup>42</sup> In addition to business management training, participants can benefit from microfinance for migrant entrepreneurs provided by the municipality. Both the Utrecht and the Amsterdam training sessions include assessing the compatibility of value propositions formulated by the participants with the training with the local market by mapping existing entrepreneurs, using data from the chambers of commerce, and running online tests to determining whether there is sufficient demand for the services or products proposed.

#### Coordination with non-State actors

**Creating social capital:** Given local authorities’ familiarity with the local market and business players, they can organize opportunities to strengthen the social capital of those who arrive and want to create their own businesses. They do so, for instance, by creating spaces for start-ups and building mentorship partnerships. In small municipalities, creating social capital might be easier because of the proximity of economic actors; however, it might also take more effort to overcome the limited experience or openness of the local business community to work with people from different cultural backgrounds.

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### Box 1.2e. OECD – Local integration of migrants and refugees (Local level) (Concluded)

Examples:

- In Vienna, access to business networks is encouraged through a “Mentorship Partnership” between a migrant and an expert in the sector in which the migrant wants to create a business. Such partnerships last six months.
- OECD research in the city of Altena (Germany) pointed to a shrinking number of shops and services due to a lack of local entrepreneurs that could have been offset by transferring the businesses to migrant entrepreneurs settling in the city.
- Building on the experience of migrant networks: Many municipalities support migrant associations that offer advice and capital to newcomers who want to become entrepreneurs. Migrant associations and faith-based organizations are often the easiest way to access start-up capital, particularly in those countries where public incentives and allowances (i.e. temporary income support to entrepreneurs) are not available.

Examples:

- The city of Berlin supports the activities of a Turkish organization specialized in providing advice to migrants who want to set up, or are already running, a business.
- In Rome and Athens, the Chinese and the Filipino associations provide start-up capital to their members. In Rome, some faith-based associations (e.g. Associazione Tuscolana Solidarietà) provide microcredit to migrant women.

#### Improve access to finance with microcredit and self-funded communities

**Microcredit:** The provision of microcredit seeks to tackle market barriers and cultural barriers simultaneously given that commercial banks lend against the provision of collateral and for business models that are not necessarily used by migrant entrepreneurs. When combined with financial education and business advice, microcredit programmes can also address skills barriers. The main advantage of microcredit is that, unlike other financial products (e.g. guarantees, crowdfunding), it is a mechanism specifically designed for entrepreneurs who experience difficulties in the credit market. It can also help individuals build a credit history to improve their access to traditional sources of finance. Although there are different models for how microcredit programmes operate, local and regional governments can have a strong role in raising awareness and directly connecting migrant entrepreneurs to microcredit schemes, supporting the operating costs of such schemes and connecting microcredit providers with other entrepreneurship training, coaching and mentoring programmes.

**Community-based financing systems:** There has recently been a revival of community-based financing systems, particularly in southern EU countries.

Examples:

- Spain has seen the growth of the Associació de Comunitats Autofinançades (ACAF, or Association of Self-Funded Communities) a non-profit organization that fosters the creation and development of self-funded communities, a group methodology that was developed in Latin America. The role of ACAF is largely to consolidate funding to support the development of the infrastructure for self-funded communities. Funders include regional and local governments, private sector companies and several private foundations.

Source: Anna Piccinni and David Halabisky, Centre for Entrepreneurship, SMEs, Regions and Cities, OECD.

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## 1.3 Ensure coherence of migrant and refugee entrepreneurship approach with international frameworks

Beyond considering how to ensure coherence at local, national and regional levels, policymakers should consider the coherence of migrant and refugee entrepreneurship approaches with international frameworks.

### Alignment with the 2030 SDG agenda

The UN 2030 Agenda for Sustainable Development was established in 2015 as a global plan of action to make transformative economic, social and environmental progress by 2030, for all people and the planet. The SDGs are all relevant to migration and migrants, and the Agenda explicitly recognizes the relationship between migration and inclusive growth and sustainable development. Furthermore, individual goals and targets make direct references to the need to facilitate “orderly, safe, regular and responsible migration”, improve the rights and conditions of migrant workers, reduce the costs of sending remittances and generate high-quality data disaggregated by migratory status. Box 1.3 highlights how policymakers may use this guide to align their policy objectives and policy options with the 2030 SDG agenda. A more in-depth consideration of how migration and the Agenda 2030 are correlated is considered in the latest IOM guide on “Migration and Agenda 2030”.<sup>43</sup>

#### Box 1.3. Alignment with 2030 SDG Agenda

This guide aims to support the following specific targets of the 2030 Agenda for Sustainable Development:

- Target 8.8 “Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment” – Through supporting migrants and refugees to pursue entrepreneurship as self-employment, the guide aims to promote safe and secure work.
- Target 10.7 “Facilitate orderly, safe, regular and responsible migration and mobility of people, including through the implementation of planned and well-managed migration policies.” – By supporting the integration process of migrants and refugees through entrepreneurship, the guide aims to contribute to orderly, safe, regular and responsible migration.

The policy objectives in the guide also align with the specific strategies outlined in the 2030 Agenda by:

- focusing on empowering vulnerable groups (e.g. refugees and migrants) (see para. 23);
- calling for inclusive education irrespective of race and ethnicity for migrants, especially those in vulnerable situations (see para. 23); and
- recognizing the positive contribution of migrants for inclusive growth and sustainable development (see para. 29).

The guide also aims to contribute to the broader 2030 Agenda by supporting the attainment of several SDGs through facilitating positive impacts on five of them:

- SDG 1 “End poverty in all its forms everywhere – by promoting entrepreneurship as a means for migrants and refugees in situations of poverty to improve their economic situation, and by strengthening their economic and development contribution to host countries”
- SDG 4 “Ensure inclusive and equitable quality education – by encouraging support for relevant educational, entrepreneurship and vocational training initiatives for migrants and refugees”
- SDG 5 “Achieve gender equality and empower all women and girls – by encouraging entrepreneurship initiatives that support full and effective participation by migrant and refugee women”
- SDG 8 “Promote decent work for all – by protecting labour rights and promoting safe and secure working environments for refugees and migrants, in particular women and those in precarious employment”
- SDG 10 “Reduce inequality within and among countries – by providing options for improving the social and economic inclusion of migrants and refugees in host countries”



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## Alignment with the ILO guiding principles

In July 2016 the International Labour Organization (ILO) adopted a set of guiding principles on the access of refugees and other forcibly displaced persons to the labour market, based on relevant ILO standards and other related human rights instruments.<sup>44</sup> These guiding principles are the outcome of a Tripartite Technical Meeting between member States, employers and workers organizations. The guiding principles make 34 recommendations to these actors on supporting access to labour markets by refugees and other forcibly displaced people, and on meeting the needs and expectations of host communities. In addition to facilitating access to employment opportunities, the principles make explicit reference to entrepreneurship as a route to decent work and livelihoods. By providing recommendations to strengthen access to entrepreneurship and business start-up training for refugees and other forcibly displaced people, policymakers may use this guide to align their policy objectives and policy options with ILO's recommendations on the development of national employment strategies.

## Alignment with the UN Global Compacts on Refugees and for Migration

The New York Declaration for Refugees and Migrants, adopted in September 2016, set forth the ambition to build on the Common Refugee Response Framework to develop a Global Compact on Refugees, and to negotiate a separate Global Compact for Safe, Orderly and Regular Migration. The processes aim to improve the global governance of migration and the international community's response to large-scale refugee movements and protracted situations, and to harness the potential of migration to contribute to sustainable development. Neither compact will be legally binding but will provide a basis for common understanding and international collaboration on policy issues related to migration and refugees, including by Member States, the UN, civil society and private sector actors. The compacts thereby will provide an important framework for aligning global efforts on migrant and refugee entrepreneurship.<sup>45</sup>

## Alignment with the UN Urban Agenda

The UN New Urban Agenda sets out a road map for national governments and local authorities to implement sustainable urban development, in alignment with the Sustainable Development Goals.<sup>46</sup> It focuses on urban policies and planning which provide basic services for all citizens, address environmental challenges and risks, enhance the safety and liveability of urban environments, and promote inclusivity. It is relevant to migrant and refugee entrepreneurship through its aims to respect the rights of refugees, migrants and IDPs, regardless of migration status, and its focus on policies and programmes to enable refugees, migrants and IDPs to make positive contributions to urban life.

## Alignment with Joint Migration and Development Initiative (JMDI) and Mainstreaming Migration approach

Building migration into policy design and planning – or “mainstreaming migration” – across all areas of government is crucial for ensuring coherence in migration and development policy, and thereby recognizing the role of migration as a driver of development. Migrant and refugee entrepreneurship should adopt the approach of mainstreaming at all levels. Migration mainstreaming at the national level has been addressed, for instance, by the OECD-KNOMAD-UNDP dashboard of indicators for measuring policy and institutional coherence for migration and development.<sup>47</sup> More recent attention has been paid to the importance of mainstreaming migration at the subnational level, as cities and local and regional actors are often working on the front line to manage migration for better development outcomes. The Joint Migration and Development Initiative (JMDI) and IOM have published a white paper, titled “Mainstreaming Migration into Local Development Planning and Beyond”, which takes stock of local policy and practice on mainstreaming migration and identifies good practices, lessons learned and policy recommendations.<sup>48</sup> The JMDI has also

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published its “Guidelines on Mainstreaming Migration into Local Development Planning”, which offers a set of indicators to help local and regional authorities understand how migration and development policies interact and how they can identify and address gaps or weaknesses in their local institutions, policies or programmes.<sup>49</sup>

#### 4.4 Measure and share the results of migrant and refugee entrepreneurship initiatives

Generating evidence of impact is crucial to the development of any policy initiative. To inform appropriate measurement and assessment, policymakers should set clear goals and targets for entrepreneurship initiatives that include migrants and refugees among their beneficiaries. These goals should be based on situational analysis and discussions with broader stakeholders, and they should suggest targets that are calibrated to the desired outcomes for particular beneficiary groups (e.g. refugees, entrepreneurs in low-income areas). Given that many programmes supporting migrant and refugee entrepreneurs face resource constraints, policymakers should fulfil their role in conducting and aggregating performance measures by establishing common indicators of success. Policymakers should focus on a broader set of indicators than only rates of new business start-ups or profit, as entrepreneurship initiatives can also lead to employment outcomes and other key integration measures related to overcoming language and cultural barriers. It is also important to qualitatively measure success and use case studies to obtain an understanding of the impact of migrant and refugee entrepreneurship initiatives at the individual and community levels. Box 1.4 illustrates how various migrant and refugee entrepreneurship initiatives are measuring their impact.

Measuring the impact of such initiatives should be based on a clear theory of change that articulates the intended impact. The theory of change should capture the intended impact of entrepreneurship initiatives on indicators such as increased income, job creation, economic growth, poverty alleviation, reduction in public expenditure and social inclusion. Theories of change can also be used to form the basis of cost-benefit analysis and randomized controlled trials, which are arguably the gold standard in impact measurement approaches. Analysing migrant and refugee entrepreneurship through a cost-benefit lens can support more nuanced debate on the resources that migrants and refugees can bring to the countries and communities in which they reside compared with the costs commonly associated with their stay (e.g. social protection benefits).




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*Rwandan female refugees attending a higher education pilot programme at Southern New Hampshire University, UK.*

#### Box 1.4. Initiatives measuring the impact of migrant and refugee entrepreneurship initiatives


**Australia:** The *Stepping Stones to Small Business* programme for refugee women has found that, although participants rate the programme highly, conventional measures of business success such as business registration, annual turnover and sales provide a poor picture of programme benefits for participants, and that performance indicators must therefore take into account the particular needs and aspirations of the refugee women whom the programme serves.


**Denmark:** *Refugee Entrepreneurs Denmark* believes that entrepreneurship training can have positive outcomes for participants beyond the creation of businesses: the development of cultural understanding, personal networks and skills for the local labour market all count as successful programme results.

 **Ecuador:** UNHCR's implementation of the GMA is based on clear performance indicators. Programme performance is monitored through key milestones established from the outset, and key criteria are used to determine when participating households can graduate from the programme.

**Europe:** The EU has funded the *Young Migrant Entrepreneurs (You-Me)* project to pilot a new approach for supporting business start-up among migrant and refugee youth, based on newly identified best practices. The approach will be tested in three countries (Italy, Germany and Spain), and the results will be compared with those of a control group in Sweden.

**Europe:** The EU has funded the creation of four projects that will build knowledge-sharing networks to facilitate the evaluation and improvement of existing migrant entrepreneurship support services and to exchange best practices in this area.

 **Germany:** *Jumpp* Germany projects are being monitored and evaluated by the IFM Institute for SME Research at the University of Mannheim, in order to advance and share scientific knowledge on the effective implementation of refugee and migrant entrepreneurship support.

 **Switzerland:** *Capacity* has engaged an independent third-party evaluator to evaluate each cycle of its start-up programme, in order to build an active feedback loop and provide timely recommendations for the improvement of future programme cycles.

**United Kingdom:** The British Business Bank has commissioned a longitudinal evaluation of the *Start-Up Loans* programme. Annual evaluation reports of the programme have been made publicly available.

 = See case studies in the Annex

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## 2. OPTIMIZING THE REGULATORY ENVIRONMENT

Like other (prospective) entrepreneurs, migrants and refugees may be discouraged from starting or scaling up a business because of restrictive or unclear regulatory requirements. Although native and migrant entrepreneurs alike may face common barriers to entry, such as strict licensing requirements or capital requirements, migrant and refugee entrepreneurs may face additional regulatory barriers related to the business registration process and how steps in this process are affected by their legal status. These barriers may discourage some migrants and refugees from starting a business or encourage others to operate informally.

Some regulatory barriers may be specific to newcomer groups – e.g. national legislation may determine the rights to employment and self-employment for migrants and refugees. Other regulatory barriers may not be directly related to the labour market or business sector but may have significant consequences for business activity – e.g. whether migrants and refugees have property rights, official recognition of documents, freedom of movement, or even the ability to transport materials in and out of refugee camps, are likely to have implications for the types of businesses such groups can develop, and how competitive these businesses can be. To overcome these barriers, recent UN declarations have called for a more supportive regulatory environment for refugees and migrants. For example, the Comprehensive Refugee Response Framework (CRRF) set out in the New York Declaration for Refugees and Migrants calls on host countries, in partnership with relevant UN agencies and other actors, to expand access to labour markets and economic opportunities.

Policymakers have numerous options for overcoming regulatory barriers within countries. In certain situations policymakers may review and simplify regulatory requirements in order to clarify and optimize the process for migrant and refugee entrepreneurs. Many are streamlining the implementation of regulations and administrative processes specific to migrants and refugees as much as possible to lower regulatory barriers. Beyond clarifying and optimizing the regulatory requirements, policymakers also play a role in guiding and facilitating migrant and refugee entrepreneurs through the start-up process, through direct programmes or broadening the scope of initiatives that are normally established for national entrepreneurs.

It is important to note that there may be differences between actual regulations and their practical implementation. Regulation may also capture policy practice, whether governmental (e.g. the conditions imposed on access to welfare benefits) or private (trading rules imposed by business associations). For example, refugees or migrants may have the constitutional right to employment or self-employment but may in practice be inhibited from enjoying these rights by lack of knowledge (e.g. on the part of the refugee or migrant or on the part of employers or bank staff), or by private or informal regulation or difficult bureaucratic processes that create group-specific obstacles. Finally, migrants and refugees may be given different rights and be subject to different regulations than members of the native population. Policymakers wishing to promote entrepreneurship among these groups thus must underpin their efforts with a robust understanding of what the specific rights of these groups are, and how they are affected by relevant regulation in practice. This section discusses how policymakers can mitigate regulatory barriers for migrant and refugee entrepreneurs by removing regulatory obstacles where appropriate, by simplifying administrative procedures where possible, and by providing transparency, information and facilitation services. The table below summarizes the policy objectives and recommended actions.

## Policy Area 2 - Optimizing the regulatory environment

Policy options	Recommendations
Optimize the process for migrants and refugees to start a business	<ul style="list-style-type: none"> <li>• Examine and clarify the regulatory requirements for migrant and refugee start-ups</li> <li>• Review and simplify additional administrative processes for migrant and refugee entrepreneurs (i.e. those not faced by local entrepreneurs)</li> <li>• Encourage collaboration between government ministries/departments to streamline processes and promote information sharing to optimize business registration process</li> <li>• Remove restrictions (either legal, administrative or practical) on ownership of property and access to finance</li> </ul>
Guide and facilitate refugee and migrant entrepreneurs through the start-up process	<ul style="list-style-type: none"> <li>• Provide information on regulatory requirements for business registration, public services and business support services to refugees, migrants and broader stakeholders (e.g. local legislators, support service providers)</li> <li>• Assist refugee and migrant start-ups with meeting regulatory requirements through providing guidance, facilitation and interpretation services</li> <li>• Provide information and training on standards to be met in specific industries (e.g. hospitality, health care)</li> <li>• Build refugee and migrant confidence in the regulatory environment by clarifying what support is available and providing certainty about rights and regulations</li> </ul>
Review other regulatory barriers that may hinder refugee and migrant entrepreneurship	<ul style="list-style-type: none"> <li>• Review and – where appropriate, pass enabling legislation to alleviate – barriers that affect entrepreneurship, including these:               <ul style="list-style-type: none"> <li>- Rights to work and self-employment</li> <li>- Recognition of prior qualifications and experience</li> <li>- Mobility permits</li> <li>- Foreign ownership or diaspora investment</li> <li>- Restrictions on remittances</li> <li>- Limitations for return migrants</li> <li>- Other legislation that discriminates against migrants and refugees</li> </ul> </li> </ul>

### 2.1 Optimize the process for migrants and refugees to start a business

Setting up and running a business may involve meeting complex regulatory and administrative requirements (e.g. registering the business, obtaining the right permits and licences, meeting social security and labour obligations, and accurately completing tax forms). Such requirements may be challenging for native-born entrepreneurs to navigate but are likely to pose even greater obstacles for migrant and refugee entrepreneurs who may have limited language skills and little knowledge of the relevant administrative systems and institutions in the host country. Again, registering a business in a certain area may also require providing evidence of professional qualifications or experience, which may be more difficult for migrants and refugees whose qualifications and skills were not earned in the host country. Further, restrictions on social security may also pose difficulties for aspiring refugee and migrant entrepreneurs, especially given their lack of access to sources of credit. In some countries, registering a new business may mean that migrants and refugee entrepreneurs forfeit their right to unemployment or welfare benefits, and these business owners may also be required to pay tax and social security contributions before their business becomes profitable.<sup>50</sup>

Given these hurdles which make it particularly difficult for migrants and refugees to engage in business activity, policymakers may seek to review or simplify regulatory requirements in order to optimize the process for such entrepreneurs. Many of the initiatives analysed as case studies for this guide called attention to the determining influence of national legislation and policy on the ability of migrant and refugees to own competitive businesses. Limitations on self-employment and on access to specific professions, insecurity about legal status and rights to residence, and

tax and welfare policy were discussed as particular challenges that would need to be addressed in order to support migrant and refugee entrepreneurs. Although some bureaucratic barriers are not specific to these entrepreneurs, migrants and refugees may find them particularly challenging due to both lack of familiarity with the system and language barriers.<sup>51</sup> In addressing these barriers, it is important to identify multiple, overlapping sources of challenges. Being a migrant may not be a key constraint on starting a business, but the combination of tenuous legal status with economic marginalization and limited language competence can undermine the value of the resources that migrant and refugee entrepreneurs can bring to a business.

To create a level playing field for entrepreneurs from different backgrounds, policymakers should therefore explore steps to optimize and simplify business start-up processes, with a specific eye to reducing the barriers related to migration status. This would mean examining and clarifying the regulatory requirements for start-ups and assessing the degree to which migration status can undermine or disrupt the capacity of migrants and refugees to meet those requirements. It would also entail providing information on the processes for registering businesses and gaining business permit rights. Policymakers should review and, where appropriate, simplify any additional administrative procedures and processes for migrant and refugee entrepreneurs that are not faced by local entrepreneurs. Encouraging collaboration between government ministries and departments can also assist in optimizing the start-up process. Box 2.1a illustrates where efforts by the initiatives reviewed as case studies for this guide have benefited from an enabling policy environment and gives examples of how specific initiatives and organizations are trying to address unnecessarily burdensome regulation.

### Start-up and entrepreneur visas

Some developed countries are introducing policy measures to attract migrant entrepreneurs who can bring new knowledge and create jobs. Most desirable are highly skilled newcomers behind high-tech and high-growth start-ups. An increasingly popular way to do this is through start-up and entrepreneur visas. In contrast to the policy efforts mentioned in box 2.1a, which are designed to facilitate refugee and migrant entrepreneurship regardless of skill level or education, start-up and entrepreneur visas are typically used as a measure for attracting highly skilled migrants operating in a narrow range of business areas. These visas are therefore limited in scope and tend only to facilitate the entrepreneurship of very small numbers of migrants. Box 2.1b highlights the potential role of such visas in attracting highly skilled migrants.



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Participants of the Livelihoods IMECE Programme in Turkey (See case studies in the Annex).

## 2.1a. Initiatives to optimize the process for migrants and refugees to start a business

- 📄 **Burkina Faso:** The enabling national policy environment is supporting the development of refugee entrepreneurship. As a member of the Economic Community of West African States, Burkina Faso grants refugees the same right to work that all Community citizens enjoy. Because refugees in Burkina Faso do not need a work permit, participants in the Design for Peace programme are able to earn an income from their craft as self-employed entrepreneurs.
- 📄 **Costa Rica:** Refugee entrepreneurs are benefiting from an enabling national policy environment. Costa Rica allows refugees two asylum appeals and grants them the right to work and attend schools while their petitions are processed. The General Law on Migration and Foreigners in 2009 and the National Integral Policy on Migration (2013–2023) were first steps towards creating a comprehensive policy framework on immigration. The law and policy are noteworthy for their definition of integration which included immigrants, returnees and the diaspora.
- 📄 **Liberia:** The *Business Start-up Centre (BSC)* in Monrovia works to alleviate poverty by encouraging entrepreneurship among the youth population (both Liberian citizens and migrants). In addition to helping their beneficiary members navigate relevant regulatory requirements, BSC was also part of the committee that helped to write Liberia's first SME regulation, called the "Small Business Empowerment Act". BSC faces challenges in terms of the difficulties of doing business in Liberia (relating to regulations, taxation and infrastructures) but their work is made easier by the fact that BSC's non-Liberian members have access to work permits in Liberia, and also because the BSC has good relationships with relevant government offices, so that they are able to resolve problems (e.g. relating to work permits and business licences) more quickly.
- 📄 **Rwanda:** Refugee entrepreneurship programmes are benefiting from a simplified regulatory environment whereby Burundian and Congolese refugees who have UNHCR documents have the right to conduct business on the same basis as Rwandan nationals and are not required to apply for a work permit.
- 📄 **Turkey:** *IOM's Livelihood* programme provides Syrian refugees with job placement support and in-kind grants for self-employment. In partnership with Innomate, IOM delivers an accelerator-style entrepreneurship training and grants project for young migrant, refugee and Turkish entrepreneurs. The Livelihood programme benefits from government regulation passed in 2016 that grants Syrian refugees temporary protection status and allows those who are registered with the Directorate General for Migration Management to access the formal labour market and to start businesses. This regulatory shift was very important for developing an enabling environment in which IOM can work to develop the resilience and economic self-reliance of Syrians under temporary protection in Turkey. Furthermore, because IOM has a good working relationship with relevant government institutions, they are able to help programme participants navigate the process of obtaining the required permits.
- 📄 **Uganda:** Refugee entrepreneurship is being facilitated by the country's progressive refugee protection policies: refugees have freedom of movement, the right to work and establish businesses, access to social services and allocation of land for agricultural production.

📄 = See case studies in the Annex

## Box 2.1b. Start-up and entrepreneur visas

Start-up or entrepreneur visas have been introduced by many countries that want to make it easier for highly skilled, potential job creators to migrate for self-employment. It must be noted, however, that these measures may discriminate against those entrepreneurs who do not manage to get easy access to funding.

**Australia:** A visa specifically for entrepreneurs dates back to the 1970s. Several categories exist for business owners. Recently a new category called a *Business Innovation and Investment Visa* was added that targets and is attractive to innovative start-ups.

**Canada:** Entrepreneurs and start-up founders have the option of a *start-up visa*. The rules and funding requirements vary according to the source of funding the business owner has obtained to finance the business. The programme aims to recruit innovative entrepreneurs by linking them with Canadian angel investor groups, venture capital funds or business incubators to facilitate the establishment of their start-up businesses.

**Chile:** Entrepreneurs and start-ups founders can apply to *Start-up Chile*, an accelerator programme that supports entrepreneurs and innovative businesses. Acceptance to the programme grants applicants a visa to stay for a year.

**Denmark:** Non-EU/EEA founders seeking to start and grow their businesses in Denmark can get a two-year *work and residence permit*. The focus is on high-growth and globally minded entrepreneurs. Permits are given to as many as two founders for two years and are renewable for another three years thereafter.

**Ireland:** Entrepreneurs and start-up founders can apply for a *start-up visa* targeted at innovative companies.

**Italy:** In 2014 a new *start-up visa* was introduced that is reserved for innovative business ideas (a standard self-employed visa is also available). It offers a simplified visa procedure for entrepreneurs by cutting red tape and providing a range of tax and labour regulation benefits. To qualify, the entrepreneur applicant must prove the innovative character of the business idea and show that he or she has access to €50,000 in investment capital for the business.

**Lithuania:** In 2017 the government launched a *start-up visa* programme that made it easier for innovative entrepreneurs from outside the EU to set up operations in the country. It is a talent attraction scheme that provides a streamlined process for entry into the Lithuanian start-up ecosystem.

**Netherlands:** Start-up founders who meet certain criteria are offered a *start-up visa and a one-year residence permit*. At the end of the year, they may be granted an extended residence permit, as long as they satisfy the standard requirements for the government's self-employment scheme.

**New Zealand:** Since 2014 entrepreneurs and start-ups founders have had the option of the *Entrepreneur Work visa*. It has two stages: During the first year it supports settlement in the country and the launch of the business. After the first year, the entrepreneur needs to develop the business to be able to stay in the country on the visa.

**Singapore:** Entrepreneurs and start-up founders are offered the option to settle using the *Entrepass* as long as they show that they bring innovation, investment and revenues. The length of stay depends on the cash flow generated by the business and its innovative nature.

**Spain:** Entrepreneurs are offered a *fast-tracked resident permit*, requiring them to have a government-vetted business plan, health insurance and enough money to support themselves. Visa decisions are promised within 10 working days and residence permit decisions within 20 days.

**United Kingdom:** Entrepreneurs and start-ups founders are offered three visa options depending on their situation and the length of their stay: *the Entrepreneur Visa, the Graduate Entrepreneur Visa and the Prospective Entrepreneur Visa*.

Source: Migration Policy Institute, *Visas for entrepreneurs: How countries are seeking out immigrant job creators*, 2012.



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## 2.2 Guide and facilitate refugee and migrant entrepreneurs through the start-up process

When starting a business most entrepreneurs require guidance to navigate the varying regulatory hurdles. Migrant and refugee entrepreneurs may need particular support in understanding and complying with relevant regulation. As newcomers, they are often less familiar with the relevant institutions and agencies in the host country. In addition, a lack of proficiency in the host-country language or a lack of knowledge of the local business environment may mean they have less confidence in dealing with relevant bureaucratic processes. Migrants and refugee entrepreneurs who lack information or access, or who distrust State and third sector services, may rely on informal business practices. Consequently, they may be excluded from formal banking services and related business support services. By guiding and facilitating these entrepreneurs in engaging with formal institutions and processes, policymakers can promote the growth and sustainability of their businesses and capture the economic benefits of such businesses through taxation and reduced social protection costs.

Migrants and members of the diaspora who have retained cultural and linguistic ties with the country of origin may be beneficial “translators” of knowledge, standards and skills for newly arrived migrant populations. Migrants may have a combination of the hard and soft skills needed to support the development of successful businesses, some of which would be challenging for a member of the native population to provide. For example, migrants may be more aware of the norms and behaviours that facilitate business transactions (e.g. expectations relating to bargaining over the value of a good, protocols on courting potential business partners) in the country of residence and how these norms differ from those in a country of origin. Migrant entrepreneurs may also have specific knowledge of institutional processes and regulatory frameworks and how they are affected by legal or migration status, and as such they may be in better positions to advise potential entrepreneurs on how to negotiate regulatory systems across the business life cycle.

Entrepreneurs in the incubation stage need different forms of mentoring and advice than entrepreneurs considering scaling up into international markets. These different forms emphasize the need to develop targeted entrepreneurship support facilities that match businesses in different stages of development with the knowledge resources most suited to their situations. In designing targeted supports, it would be beneficial to consider where migrant and refugee entrepreneurs could add value as mentors.

Policymakers can play a key role in guiding these entrepreneurs through the start-up process and in building their confidence in the regulatory environment by improving access to support and providing certainty about rights and regulations. Policymakers can do so by supporting initiatives that provide migrants and refugees with targeted guidance and assistance with regulatory requirements. But they can also play a more direct role: e.g. they can ensure that mainstream platforms for supporting local entrepreneurs (e.g. business associations) are accessible to and inclusive of migrants and refugees and that government departments and local chambers of commerce provide information on regulatory requirements and on the public services and business support services available to refugees, migrants and broader stakeholders (e.g. local legislators, support service providers). Government institutions can also make bureaucratic procedures easier for migrant and refugee entrepreneurs by providing information in multiple languages and by employing culturally sensitive, ethnically diverse staff members.<sup>52</sup>

Some mainstream business development and support services offer tailored advice and services for newcomers by providing such information in other languages, signposting to other relevant agencies and support services, and helping newcomers understand how to approach and interact with relevant regulatory institutions. Some of these services, as well as other more targeted services and initiatives that support migrant and refugee entrepreneurs specifically, also provide more hands-on guidance and counselling to help these aspiring entrepreneurs to fulfil regulatory requirements – e.g. by assisting with the completion of paperwork and often by leveraging the

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specific knowledge of experts and mentors. To show how this policy recommendation may be implemented, box 2.2 indicates some of the ways in which governments and NGOs are guiding and facilitating refugees and migrants through the administrative aspects of the start-up and business development process.

### Box 2.2. Initiatives that guide and facilitate refugee and migrant entrepreneurs through the start-up process

**Austria:** The *Vienna Business Agency* provides coaching, workshops and individual counselling to help entrepreneurs and aspiring entrepreneurs with a migration background to understand, among other things, the public support services available to them, as well as how to interact with official authorities and departments.

**Europe:** Across the EU, the *Migrants Empowerment for Change (ME4Change)* project uses a mix of webinars and face-to-face training and mentoring to provide participants with practical information and guidance on the legal and procedural aspects of starting a business.

☒ **Finland:** *Start-up Refugees* is an NGO working to integrate refugees into Finnish society through entrepreneurship. As part of its business incubator activities, and with the pro bono support of local industry professionals, it offers aspiring refugee entrepreneurs support in understanding and navigating relevant regulatory requirements for the implementation of their business plans. Through a partnership with the City of Helsinki government, Start-up Refugees has linked 10 refugee entrepreneurs into a governmental programme that includes assistance in fulfilling the requirements of business permits and paperwork.

**Germany:** The *Indian Business Centre* in Stuttgart offers support to migrant business owners, providing guidance on legal issues and registration, office space and assistance with migrants' broader integration.

☒ **Italy:** In Milan, the *Bureau d'Appui aux Sénégalais de l'Extérieur (BASE)* was set up in order to advise members of the Senegalese diaspora on opportunities to support successful business creation in Senegal in order to promote the socioeconomic integration of voluntary returnees to their country of origin.

☒ **Japan:** The *Entrepreneurship Support Programme for Refugee Empowerment* works with beneficiaries to identify relevant regulatory barriers and processes (e.g. to establish a particular business activity or to obtain a special business permit) and advises beneficiaries on how best to proceed in the regulatory environment.

**Netherlands:** *Incubators for Immigrants* provides assistance to refugee entrepreneurs regarding the legal aspects of the start-up of their businesses.

**Slovakia:** The *Migration Information Centre* provides free advisory services for migrants in the country, including advise on how to do business in the country and on the associated legal and regulatory requirements.

**Scotland:** The government-funded *Glasgow Business Gateway* has a dedicated business advisor to help migrants, refugees and members of ethnic minorities with aspects of their business idea, including completing required paperwork and signposting prospective entrepreneurs to the agencies involved in business start-up.

☒ **United States:** The *Business Center for New Americans (BCNA)* offers a one-stop shop for migrant and refugee entrepreneurs. The staff assists clients with understanding relevant regulatory requirements and obtaining the licences and permits required in order to operate their business.

☒ = See case studies in the Annex

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## 2.3 Review other regulatory barriers that may hinder refugee and migrant entrepreneurship

In addition to regulatory barriers specifically related to business registration and start-up requirements, immigration and refugee policies place broader restrictions on rights to work and self-employment. Many countries prohibit migrants and refugees from working or being self-employed, or from being (self-)employed in particular professions. Further, working in particular professions may require specific diplomas, which poses challenges for migrants and refugees who face difficulties in getting their foreign-earned qualifications and skills recognized in the host country. Furthermore, restrictions on individuals' mobility from one country to another or within a country, or in and out of refugee camps, may constrain potential business activity, and insecurity regarding residence status may prevent migrant and refugee entrepreneurs from developing their business plans and accessing credit from formal financial institutions.<sup>53</sup> Given these challenges, policymakers should review and, where appropriate, pass enabling legislation to alleviate barriers that influence entrepreneurship, including those related to rights to work and self-employment, recognition of prior qualifications and experience, mobility permits, restrictions on property ownership, foreign ownership and diaspora investment, restrictions on remittances, limitations for return migrants and other legislation that discriminates against migrants and refugees (see Box 2.3). In order to be effective, such reviews should be conducted in collaboration with a range of stakeholders, including migrants and refugees themselves, private sector actors and institutions in countries of origin.

### Box 2.3. Initiatives addressing regulatory hurdles at the international level

Work is under way to address regulatory barriers in international frameworks, which emphasize the importance of creating an enabling environment for migrants and refugees' economic activity. For example, the Comprehensive Refugee Response Framework (CRRF) set out in the New York Declaration for Refugees and Migrants calls on host countries, in partnership with relevant UN agencies and other actors, to foster the self-reliance of refugees, by expanding their access to labour markets and economic opportunities, by enabling refugees to make use of their skills and capacities, and by investing in the development of new skills and human capital among refugees (United Nations, 2016). Building on the CRRF, Draft 2 of the Global Compact on Refugees commits States and relevant stakeholders to investing in "economic opportunities, job creation and entrepreneurship programmes for host community members and refugees, including women, young adults and those with disabilities, through enabling policy, legal, and administrative framework" (UNHCR, 2018, para. 7.4). In particular, the Global Compact on Refugees specifies that this will mean facilitating the recognition of refugees' skills and qualifications, refugees' access to financial products and services, and preferential trade arrangements (UNHCR, 2018). Similarly, the Global Compact for Safe, Orderly and Regular Migration sets out objectives which include eliminating discriminatory restrictions on employment and making host-country labour markets more inclusive, including by facilitating the recognition of foreign-earned skills and qualifications (United Nations, 2018).

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### 3. ENHANCING ENTREPRENEURIAL EDUCATION AND SKILL DEVELOPMENT

A key issue facing migrant and refugee entrepreneurs is the transference and expansion of business-related human and social capital from origin country to destination country. Many migrants and refugees have experience as entrepreneurs in their home countries, but – as noted earlier – lack specific knowledge of the business environment in host countries. Entrepreneurship education and training is key to developing and expanding the skills and capabilities migrants and refugees need in order to run a business in a host country. Such education can also help to develop and enhance an entrepreneurial mindset that can enable migrants and refugees to better understand how they can leverage their knowledge, expertise and networks towards more profitable business opportunities.

Despite the rise of mainstream entrepreneurship education programmes in most countries, there are few inclusive programmes that benefit migrants and refugees and that can address some of this population's specific resources and needs. Many migrants and refugees require more targeted support in the early stages of entrepreneurial activity. In addition to encouraging existing entrepreneurship education initiatives to be more inclusive of migrants and refugees, policymakers can also promote the establishment of entrepreneurship initiatives that are tailored to the particular needs of migrants and refugees.

Entrepreneurship education should not happen in isolation. In addition to developing entrepreneurial skills and capabilities, it should be designed to connect aspiring migrant and refugee entrepreneurs with the broader entrepreneurship ecosystem. This can be done by ensuring that programmes are taught by experienced and well-connected entrepreneurs and mentors. Connections to the private sector can be achieved by viewing entrepreneurship education as a complement to vocational training. Finally, it is important to align entrepreneurship education initiatives with integration programmes focused on providing basic needs of migrants and refugees.

## Policy Area 3 - Enhancing entrepreneurial education and skill development

Policy options	Recommendations
<p><b>Develop, adapt and focus entrepreneurship training for specific target groups and contexts</b></p>	<ul style="list-style-type: none"> <li>• Include migrants and refugees in existing entrepreneurship training programmes and support and sensitize incubators or accelerators about migrants and refugees</li> <li>• Target entrepreneurship education to specific local contexts (e.g. refugee camps, community settlements, urban or rural setting)</li> <li>• Target entrepreneurship education for specific groups of migrants and refugees (e.g. youth, women, language groups, socioeconomic status, countries of origin, time in host country, professional skills, entrepreneurship experience)</li> <li>• Target entrepreneurship education to the phase of business development and viability of projects (e.g. entrepreneurs with an idea, entrepreneurs with a business plan, entrepreneurs with an established business, entrepreneurs with high growth potential)</li> </ul>
<p><b>Develop effective entrepreneurship curricula and content to cultivate an entrepreneurial mindset</b></p>	<ul style="list-style-type: none"> <li>• Support programmes that provide a mix of content (e.g. technical, financial, basic business, entrepreneurial skills) and mix of delivery modes (e.g. blended training – partially online, partially in classrooms)</li> <li>• Support programmes that provide longer-term, tailored, one-to-one support</li> <li>• Support programmes that involve experiential and practical pedagogy that encourage learning by doing</li> </ul>
<p><b>Engage skilled and experienced trainers</b></p>	<ul style="list-style-type: none"> <li>• Engage skilled and experienced trainers (including industry experts and volunteers from local business councils, chambers of commerce and other professional backgrounds) or implement train-the-trainers programmes, specifically targeting migrants and refugees as potential trainers</li> <li>• Support programmes that incorporate a range of entrepreneurship and business expertise (e.g. experts in marketing, investment, financial management, technology, branding and other business services, and sector-specific experts)</li> <li>• Support programmes that link new refugees and migrants with established refugee and migrant entrepreneurs as mentors and coaches to nascent entrepreneurs</li> <li>• Sensitize training providers to the reality of human mobility (migration and refugee movements) so that they can develop their own programmes or tailor programmes to the needs and opportunities of migrants and refugees</li> <li>• Link migrants with specific knowledge of regulatory environments in countries of origin with businesses in the country of destination that wish to expand into the origin-country market (and vice versa)</li> <li>• Support the development of networks of migrant/diaspora entrepreneurs and business advisors, transnational chambers of commerce, transnational professional associations, and other bodies that support transnational business connections</li> </ul>
<p><b>Strengthen synergies between programmes of entrepreneurship training for refugees and migrants and vocational education programmes and support for basic needs</b></p>	<ul style="list-style-type: none"> <li>• Encourage entrepreneurship education as a complement to vocational education and align entrepreneurship education with traineeship and internships with local entrepreneurs, small to medium-size enterprises and other relevant enterprises</li> <li>• Encourage the development of strong partnerships between migrant and refugee entrepreneurship initiatives and broader service providers, activities and protection (e.g. language and cultural training, employment programmes, counselling, life skills, financial literacy, legal support, health care services, nutrition education, housing services)</li> <li>• Examine and clarify the implications of business registration for migrants and refugees who are receiving social protection</li> </ul>

### 3.1 Develop, adapt and focus entrepreneurship training for specific target groups and contexts

Understanding and mapping the diversity within migrant and refugee populations is an essential first step in better calibrating inclusive entrepreneurship support and training programmes. As highlighted throughout this guide, migrant and refugee populations are not homogeneous. Even among migrants from the same country of origin there may be important internal divisions related to demographic features (e.g. gender, age, ethnic group membership, education or skill level) and migration histories (e.g. channel of entry, time of migration). This diversity translates not only into differing needs and constraints but also into varying resources and opportunities that targeted entrepreneurship programmes should foster.

Despite the diversity within and across migrant and refugee populations, however, there may be common challenges that entrepreneurship training programmes can better address. Although the inclusion of migrants and refugee in mainstream entrepreneurship education programmes should be encouraged, migrants and refugees often face unique language, cultural and financial barriers that can constrain their involvement. Further, many migrants and refugees are situated in community settlements or refugee camps that are at significant distances away from mainstream entrepreneurship programmes. Many initiatives highlighted in this section seek to overcome these challenges by developing, adapting and targeting entrepreneurship education for specific migrant and refugee groups – often in ways that enhance and build upon the unique capacities such groups already have. Targeted programmes are necessary to support migrant and refugee entrepreneurs who have different skills and experiences and are at different phases of their entrepreneurial activity than those in more mainstream education programmes. When supporting and developing entrepreneurship education initiatives, policymakers and practitioners should pay close attention to programme design and selection processes to ensure they are effectively targeting the specific groups of migrants and refugees they aim to support. Boxes 3.1a, 3.2b and 3.2c highlight examples of initiatives targeting specific local contexts, specific groups of migrants and refugees and/or initiatives based on phase of business development.



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Syrian refugee Wahda receiving a tailoring toolkit by the IOM Livelihood Assistance Programme in Turkey (See case studies in the Annex).

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### Target entrepreneurship education based on specific local contexts

The entrepreneurial opportunities of, and support needed by, refugees in refugee camps differ vastly from those of migrants and refugees living in other contexts. It is important that entrepreneurship education programmes are designed with these local contexts in mind. Box 3.1a details programmes targeted specifically at refugees and migrants in particular local contexts, highlighting how the incorporation of local context features into programme design can enhance outcomes for specific beneficiary populations. Entrepreneurship education initiatives should be delivered in the localities where migrants and refugees are based, whether in camps or other community settlements, in order to overcome issues related to travel, financial and time costs. Increasing access to support by embedding it within local communities is particularly important for populations with limited resources and competing commitments (e.g. child care, legal processes) that require potential beneficiaries to stay within a specific area.

#### Box 3.1a. Programmes that provide focused entrepreneurship education targeting specific local contexts

- 📍 **Turkey:** IOM's *Livelihood* programme provides Syrian refugees with job placement support, in-kind grants for self-employment, and entrepreneurship training and grants. The design of the programme has been sensitive to local context. First, IOM conducted market research before selecting participants, in order to identify where refugees could fill gaps in local economies rather than saturating certain areas and sectors. Second, where access to refugee camps is restricted, IOM emphasizes the importance of building good working relationships with local governments in order to ensure the successful delivery of training in refugee camps.
- 📍 **Uganda:** The *Small Business Skills* programme operating in Kampala delivers community-level training in slums by partnering with local organizations. IOM delivers the programme with the support of a network of civil society partners and government agencies. Through these partnerships with local organizations, IOM is able to reach and mobilize target beneficiary groups and to deliver training at the community level and within easy reach of participants. IOM contracted Enterprise Uganda to develop and deliver the business skills training materials, which it was able to customize according to the particular knowledge levels and needs of the participants, and to deliver in local languages.
- 📍 **Myanmar:** The *Entrepreneurship Development Network Asia – Myanmar (EDNA Myanmar)* programme provides training for returned migrants by going out into local communities in the informal economy. EDNA works with local actors in the entrepreneurship ecosystem by establishing partnerships with government, NGOs, corporations and community leaders within each region. These partnerships assist in sourcing local classrooms for educational activities, with many classroom locations offered by communities, government offices, churches, monasteries and village administrative offices.

📍 = See case studies in the Annex

## Target entrepreneurship education for specific groups of migrants and refugees

Many entrepreneurship education initiatives target specific groups of migrants or refugees to ensure that programmes can expand on pre-existing capacities and skills while addressing the particular needs of entrepreneurs from different backgrounds. Box 3.1b illustrates initiatives that target certain demographics (e.g. based on age or gender) or groups on the basis of their entrepreneurial or technical experience. The recommendation to target programmes for specific groups aligns with the EU guidebook on promoting and supporting migrant entrepreneurship, which recommends that support services be designed on the basis of careful assessments of the particular needs of different migrant and refugee beneficiaries.<sup>54</sup>

### Box 3.1b. Programmes that provide focused entrepreneurship education targeting specific groups of migrant and refugees

**Australia:** The *Stepping Stones to Small Business* programme for refugee women delivers business training flexibly, so as to accommodate the participants' language requirements and childcare responsibilities.

**Austria:** The *Vienna Business Agency* offers information, workshops and individual counselling to migrant entrepreneurs from different backgrounds in a range of languages.

**Denmark:** *Mind Your Own Business* works with boys between 13 and 19 years old who have a migration background to build their entrepreneurial and social skills.

**El Salvador:** As part of the JMDI framework, the project "*Establishing youth-led enterprises at the local level with the support of the diaspora*" was run from 2014 to 2015. The project focused on providing the technical and financial support that young aspiring migrants may need to start, sustain and expand a small business in their communities of origin. It helped (potential) entrepreneurs learn how to establish a business plan, apply for seed funding, and connect to supply chain partners.

☒ **Germany:** The *Jump* project focuses specifically on female entrepreneurs with a migrant or refugee background, and aims to promote better awareness of how they can be successful role models. Specifically, Jump aims to: (1) activate and promote the entrepreneurial potential of migrants and refugees; (2) prepare them to set up their own businesses; (3) make female entrepreneurs with a migrant or refugee background visible as role models to the public; and (4) make stakeholders aware of the potential and interests of female migrant and refugee entrepreneurs.

**Italy:** In collaboration with the *Ethical Fashion Initiative of the International Trade Centre* (<http://ethicalfashioninitiative.org/>), which connects marginalized populations – namely women – to the international fashion industry, Italian NGO *Lai Momo* supports the training and mentorship of refugee and asylum-seeking women to become suppliers of fashion products. The initiative's tailored training supports female participants in developing both the technical skills needed to create high-quality fashion products and the business acumen needed to participate in the global fashion industry.

☒ **Sweden:** The *Ester* programme offers entrepreneurship education courses to unemployed women from a migrant background who want tailored support to launch a business.

☒ **Switzerland:** The *SINGA Factory* entrepreneurship development programme was co-developed with participants using a human-centred design process, in order to ensure that the programme addresses participants' key challenges and enables their success.

**Switzerland:** *Crescenda's* course for entrepreneurship is designed to support foreign-born women in creating and running businesses in Switzerland. Besides its gender-specific focus, the course also requires that participants have a valid residence permit, have a basic knowledge of the German language, and have already completed the three-day *Crescenda* orientation workshop. In this way *Crescenda* aims to ensure that participants have the capabilities to participate effectively in the entrepreneurship course.

☒ **Turkey:** The *IOM Livelihood Programme* targets entrepreneurship education for migrants and refugees who are interested in setting up an enterprise linked to their professional skills and experience. Their program selects participants who can demonstrate the desire to start a feasible business linked to their prior professional or entrepreneurial experience.

**United States:** The *ORR MED* programmes are designed with consideration for the characteristics of the particular refugee community targeted, which include employment rates, welfare status, length of time in the United States, interest in microenterprise, readiness to start a microenterprise and English language skills.




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## Target entrepreneurship education based on phase of business development


Entrepreneurs in the ideation or pre-start-up phases require different support than entrepreneurs who have launched a business or are in the growth phase. Many initiatives tailor entrepreneurship education programmes to enterprises at differing stages of development (box 3.1c). Doing so allows migrant and refugee entrepreneurs in the ideation phases to focus on enhancing their ideas, while more developed enterprises receive support for scaling their activities and ensuring their sustainability.

### Box 3.1c. Programmes that provide focused entrepreneurship education targeting different phases of business development

**Italy:** The *RE-LAB* project provided a mix of phased entrepreneurship training, business plan development support, financial support and technical assistance to refugees who had been selected on the basis of their entrepreneurial potential, and then according to the strength of their business plan.

 **Japan:** For refugees with established high-potential businesses, the *ESPRE* programme provides a comprehensive package of technical support, mentoring and access to microfinance, while providing refugees who lack entrepreneurship experience with support in developing a business plan. A rigorous selection process consisting of interviews and on-site visits is designed to identify candidates who are sufficiently qualified and whose businesses have sufficient potential.

**Netherlands:** *Delitelabs* offers three kinds of entrepreneurial training designed to cater to the needs and aspirations of potential entrepreneurs at different stages of their entrepreneurial development (both locals and those with a migration or refugee background): (1) evening lectures; (2) short boot camps; and (3) a three-month incubation programme.

 **Rwanda:** The *Inkomoko Refugee Entrepreneurship Programme* offers different types of support according to the phase of business development, offering a light programme for micro-entrepreneurs and aspiring entrepreneurs who have not yet started a business, and a full programme for entrepreneurs with potential high-growth enterprises. Participants in the light programme (who have a microenterprise or who have not yet started a business) receive approximately 40 hours of business skills training (including business planning, local business registration and regulation training, accounting, and cash flow management), and are also provided with an easy-to-use bookkeeping, cash flow and inventory management tool. Participants in the full programme (approximately 25 per cent of all participants) are entrepreneurs with high growth potential businesses. In addition to these business skills training and tools, participants in the full programme receive individual business assessments designed to identify areas for improvement, as well as one-to-one consultations on business growth strategies, job creation and the management of finance, operations and sales.

**United Kingdom:** The *Entrepreneurial Refugee Network (TERN)* offers two incubation programmes for refugees at different stages of entrepreneurial development. The TERN Pre-Incubator helps refugees explore entrepreneurship as a potential career path, while the TERN Incubator helps aspiring refugee entrepreneurs to understand local markets, trends and customer preferences, as well as to access business contacts and finance.

**United States:** The *Immigrant Entrepreneur Development Programme* offers different types of training to suit both the clients' language requirements and the stage of their business development. Both short workshops and longer-term business training courses are offered, and these are delivered in either English or Arabic.

 = See case studies in the Annex

### 3.2 Develop effective entrepreneurship curricula and content to cultivate an entrepreneurial mindset

Effective entrepreneurship curricula need to provide a mix of content that includes technical, financial and basic business skills, as well as entrepreneurial capabilities. These capabilities are important for enabling aspiring entrepreneurs to understand the local business context and to pursue business opportunities that build on their knowledge and expertise. This mix of content is necessary to cultivate and enhance an entrepreneurial mindset.

The length of entrepreneurship education initiatives presents a challenge. For many entrepreneurs, longer-term support over a period of 6–12 months is necessary to support their enterprises as they develop. The in-depth case studies emphasize the value of offering sustained and personalized, one-to-one assistance to migrant and refugee entrepreneurs as they build their business.

Finally, entrepreneurship cannot be taught solely in a classroom. Entrepreneurs learn by doing and need to be challenged with real-world uncertainties. To teach practical skills, many of the initiatives analysed involve experiential and practical pedagogies that support migrant and refugee entrepreneurs in working on their own businesses.

#### Support programmes that provide a mix of content and delivery modes

Much of the content being rolled out through many aid-funded entrepreneurship and business training programmes concentrates on concepts such as separating household and business finances, accounting, marketing, inventory management and customer service, which, although useful functional knowledge, do not address the full complexity of entrepreneurial activity. Successful entrepreneurs need a mix of technical, financial, basic business and entrepreneurial skills. Technical skills may relate to specific industries and professions. Financial skills include knowledge about accessing finance, budgeting and reporting. Basic business skills include functional skills such as accounting, marketing, inventory management and customer service. Entrepreneurial capabilities include an entrepreneurial mindset, which assists in coping with risk and uncertainty. Box 3.2a provides exemplars of programmes offering this mix of content to cover this range of skills. Not all skills need to be delivered in person; many programmes are taking advantage of blended training methods that combine in-class and online elements.



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Braslian migrant Tiago Vieira in front of is Tribo Tapiocaria Tapas Bar, after having participated in the Migrant Entrepreneurship Initiative (PEI) in Portugal (See case studies in the Annex).

### Box 3.2a. Programmes that provide a mix of content

📌 **Argentina:** *MIRARES* runs a program to strengthen entrepreneurship capacities of refugees in Buenos Aires to achieve their socioeconomic integration. The program entails a mix of technical, financial, business and entrepreneurial content, which includes providing general guidance and support on income-generation opportunities; providing technical support to microentrepreneurs for business set-up; facilitating access to finance through seed capital, microcredit and social protection schemes; and strengthening businesses through capacity-building, product development, networking, inclusion in the social economy and linkages to value chains.

📌 **El Salvador:** *ADEL Morazán's Youth Entrepreneurs Program*, implemented in one of the poorest eastern regions, supports entrepreneurship among the local youth population as an alternative to emigration. The programme mixes technical and basic business skills (e.g. business plan development, pricing, sales and marketing) with entrepreneurial soft skills (e.g. leadership and self-confidence) to develop entrepreneurial capabilities in youth.

**Italy:** The *RE-LAB* project offers aspiring refugee entrepreneurs a mix of entrepreneurship training, business plan development support, technical assistance and mentoring, with each element phased in according to the participant's stage of business development.

**Iraq:** The young innovators, entrepreneurs and software developers from displaced, refugee and host communities who participated in *Five One Labs' Start-up Bootcamp* were trained in a variety of technical and softer skills, including entrepreneurial mindset development, customer interview techniques, ideation, business model canvassing, prototyping and pitch development.

📌 **Jordan:** The *Business Development Center (BDC)* offers a variety of training programmes geared towards building participants' capacities for employment and self-employment in different areas: the Youth Employability & Empowerment Programme, the Vocational Entrepreneurship programme, the SwitchMed Green Entrepreneurship Programme, the Entrepreneurship Technology Workshop and Maharat Volunteers.

📌 **Portugal:** The *PEI Initiative* aims to develop entrepreneurial mindsets and capabilities among migrants and to support migrants in the implementation of their business plans. In the course of the 10-week programme, participants benefit from 10 group training sessions on business skills and knowledge, as well as 8 individual sessions in which they receive tailored support for the concrete implementation of their business plans. Training is delivered by business experts who have experience of entrepreneurship and are able to adapt the content of the training to the particular needs of different participants.

**Uganda:** The *Youth Leadership and Entrepreneurship Development* programme brings experienced youth facilitators together with refugee youth leaders in the Kyangwali Refugee Settlement to develop their leadership skills and entrepreneurial mindsets, and to identify community needs and develop income-generating business solutions.


**United States:** The *Immigrant Entrepreneur Development Programme* offers practical guidance to participants in their advanced "on the road" business training course. Topics covered include refining the business idea; marketing, branding and customer service; business financing; strategic planning; and local business resources and partners.

📌 = See case studies in the Annex


### Support programmes that provide longer-term, tailored, one-to-one support

Tailored entrepreneurship programmes that pair new entrepreneurs with an experienced mentor are recognized as good models for supporting the survival of a business over the first year of its life. Although such paired mentorship programmes are beneficial for a variety of types of entrepreneurs, they may be especially impactful for refugee and migrant entrepreneurs given the specificity of their contexts and the resources they need to navigate those contexts. Newly arrived migrants and refugees may have specific circumstances that would be difficult to address in more generic entrepreneurship support programmes; such circumstances may relate to their experiences of migration or forced displacement, language and cultural understanding, the industries to which they can contribute given previous experiences and capacities, or the phase of their business. Ongoing personalized mentoring is key to overcoming these challenges – by providing local business knowledge, building accountability and developing the support networks that migrant and refugee entrepreneurs need to flourish. Box 3.2b provides exemplars of programmes providing longer-term, tailored, one-to-one support to meet the specific needs of particular migrant and refugee entrepreneurs.


#### Box 3.2b. Programmes that provide longer-term, tailored, one-to-one support


 **Australia:** *Catalysr* runs an incubator and mentoring program to provide unemployed migrants and refugees an alternative pathway to employment through entrepreneurship. The programme in Australia provides a variety of individualized support, including one-to-one coaching sessions, daily e-mail chats and bespoke tools such as their Migrapreneur Scorecard and Goal Grid to track individual progress.

**Gambia:** *UNHCR* and *The Gambia Food and Nutrition Association* has provided entrepreneurship training to complement previous income-generation support given to refugees. Refugees already engaged in self-employment activities were taught about topics such as marketing, record-keeping, costing and pricing, and business planning, in order to strengthen their business activities and livelihoods.

 **Malaysia:** The *Micro-Entrepreneurship Development for Refugees* programme provides a mix of educational support including business skills training, English language training, mentoring and fieldwork experience. On the basis of informal interviews, mentors tailor their assistance to meet the particular needs and aspirations of each participant. The language training is also adapted to participants' language skills and ethnic group.

**Netherlands:** *Delitelabs* is an inclusive start-up school that offers a range of entrepreneurship programmes not only to refugees and migrants but also to aspiring entrepreneurs from local communities, particularly those who are underemployed or on welfare benefits.

 **Portugal:** The *PEI Initiative* mixes group training sessions with individual sessions to ensure migrant entrepreneurs receive tailored support to meet their particular needs. Their individual sessions provide tailored support for the concrete implementation of their business plans. Training is delivered by business experts who have experience of entrepreneurship and are able to adapt the content of the training to the participants' needs.

 **Sweden:** The *Ester* programme for women attributes its success to the longer-term and intensive guidance provided to participants, tailored to their particular needs. Participants are divided into groups of 5–10, which meet each week for common training, individual studies, field trips and other activities that include practical training. A personal business adviser is also assigned to each participant; the advisers and participants work together closely to develop a feasible business plan and then to implement it. Once participants have registered their new businesses, coaching and mentorship is provided to support the growth of the companies.





 = See case studies in the Annex

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## Support programmes that involve experiential and practical pedagogy

Entrepreneurship education in general is often too focused on writing business plans and does not train participants in entrepreneurial action. Entrepreneurship education experts have called for programmes to focus more on educating for entrepreneurship rather than simply about entrepreneurship. Achieving this requires that initiatives view and present entrepreneurship as a process, and understand how entrepreneurs think and act, rather than viewing entrepreneurship as a set of functional skills. Pedagogically this challenges traditional teaching approaches by introducing active pedagogies that involve effectual thinking, problem-based learning and learning by doing. This is especially important in developing-economy contexts where traditionally entrepreneurship education programmes have had too narrow a focus on functional business knowledge. Boxes 3.2c and 3.2d provide exemplars of programmes that use experiential and practical pedagogy with migrants and refugees.

### Box 3.2c. Programmes that involve experiential and practical pedagogy

-  **Costa Rica:** *Living Integration* is UNHCR's Livelihoods programme to help refugees improve their local integration. The programme supports participants in practical endeavours to create an elevator pitch, develop a business plan using the business model canvas methodology and present their business plan in public in order to access seed capital. Then, each entrepreneur receives technical support to formalize the business according to national standards. Nearly 2,000 refugees have benefited from the programme since 2014.
  -  **Liberia:** The *Business Start-up Centre (BSC) Monrovia* works to alleviate poverty by encouraging entrepreneurship among the youth population (both Liberian citizens and migrants). BSC runs a scholarship programme that offers participants management training and a visit to South Africa in order to learn about how business is done there. Its "Business in a Box" programme, delivered in cooperation with the International Finance Corporation, the Liberian Ministry of Commerce and Industry and SPARK, is a business incubation event where participants pitch their business ideas and compete for access to seed funding.
  -  **Myanmar:** Participants in the *EDNA Myanmar* programme engage in five months of training (one day per week) designed around the concepts of effectuation and problem-based learning. The participatory approach places student participation at the forefront and encourages learning by doing. Entrepreneurs work on their businesses with the guidance of mentors. Each lesson had a participatory structure based on group discussion, open debate, reflection and practice. On completion of the classroom learning, mentors continue to engage directly with participants on a regular basis to offer support, monitor business progress and assist in solving day-to-day business problems.
  -  **Ukraine:** As part of its *Economic Empowerment Programme*, IOM and partners have created opportunities for experiential learning by conflict-affected and internally displaced entrepreneurs as well as former victims of human trafficking: participants have showcased their products at the IOM Business Forum and Fair in Kyiv, and the *IOM online business exchange platform* has been launched to facilitate networking and cooperation among self-employed people and small businesses owners in Kyiv.
- United Kingdom:** Migrant social entrepreneurs have participated in the *Community-Level Investment in Migrant Businesses (CLIMB)* programme, where they receive support from the Young Foundation on business model development, business growth and communications. They then presented their social enterprise ideas to a Dragon's Den-style panel of judges who awarded further technical and financial support to the most promising entrepreneurs.

 = See case studies in the Annex

### Box 3.2d. Adopting the experiential methodology of Empretec with Syrian refugees in Jordan

In Jordan, UNDP and the BDC Skills Exchange Programme used the behavioural hands-on methodology of the UNCTAD Empretec programme and a train-the-trainer approach to train a pool of highly skilled Syrian trainers able to share their vocational skills with others, including members of the Jordanian host community (see case study in the Annex). The programme created a pool of 100 highly skilled vocational Syrian trainers, who boosted income and skills for 100 Syrian refugees in preparation for return to the Syrian Arab Republic, while strengthening social cohesion by linking Syrians and Jordanians with skills exchange and mentoring programmes.

Empretec is UNCTAD's flagship capacity-building programme for the promotion of entrepreneurship and MSMEs in order to facilitate sustainable development and inclusive growth. Its core product is the Entrepreneurship Training Workshop, which aims to foster the motivation and self-confidence of participants who are starting or expanding a business. It is based on a behavioural approach, designed to unleash personal entrepreneurial potential.

Its experiential methodology has proved to be effective for a vast range of target audiences in advanced and less developed economies. It works equally well for mature entrepreneurs and new entrants, opportunity and necessity entrepreneurs, and participants with different levels of education. Adaptations are made for vulnerable groups such as women, youth, refugees and migrants, and rural participants with low literacy levels. Empretec has a network of national centres established in 40 countries, which provides an opportunity for participants to explore international markets and establish cross-border business links.

## 3.3 Engage skilled and experienced trainers

To ensure that migrant and refugee entrepreneurship education initiatives achieve their desired impact, skilled and experienced trainers are essential. Successful initiatives employ and develop trainers with business and entrepreneurship experience as well as trainers with technical experience in specific industries. Bringing such resources to the training setting is necessary to ensure that entrepreneurs receive local business knowledge, gain access to local business ecosystems and are offered the technical assistance they need to enhance their products and services. These programmes engage experienced entrepreneurs and industry professionals as trainers and mentors to share local business insights, establish value chain linkages, open up connections to the ecosystem and provide technical business support in areas such as law and accounting. Technical experts are especially relevant for programmes targeted to entrepreneurship in specific industries, as they can share international and local expertise and assist in developing local and international value chain linkages.

As discussed in more detail in section 9, many programmes are engaging successful migrant and refugee entrepreneurs as trainers and mentors because of their knowledge of the everyday challenges facing participants. Support staff serving refugee and migrant entrepreneurs should not only have appropriate business and entrepreneurial experience, but should also have the right linguistic skills, personal characteristics and appropriate training to meet the specific needs of migrants and refugees.<sup>55</sup> Box 3.3 highlights example of initiatives engaging and/or training skilled and experienced trainers.

Many initiatives are implementing train-the-trainer programmes to develop cohorts of trainers capable of training growing groups of aspiring migrant and refugee entrepreneurs. Train-the-trainer models also provide an opportunity to create employment for migrants and refugees who could become educators and trainers themselves. Train-the-trainer approaches are particularly relevant when considering links to vocational education programmes, by which experienced vocational trainers can acquire skills in entrepreneurship education to help participants connect vocational skills with enterprise opportunities. To build long-term impact, policymakers should consider supporting train-the-trainer programmes to develop the capacities of local educators to deliver entrepreneurship education, as well as sensitizing training providers within the country about the reality of migration and refugee influxes so that they can develop their own programmes.

### Box 3.3. Programmes engaging and/or training skilled and experienced trainers

**Australia:** *Ignite Small Business Start-ups* relies on a network of industry experts and volunteers from local businesses, councils, chambers of commerce and other professional backgrounds to provide support to the aspiring refugee entrepreneurs that the program serves.

**Australia:** The *Cultov8* business start-up weekend enables refugee and migrant participants to develop their business ideas with the help of business coaches and mentors, web and app developers, and people with game development, multimedia and social media skills. Participants in the pre-accelerator programme also benefit from mentoring from experts in marketing, financial management, technology, branding and other business services.

☒ **Burkina Faso:** The *Sahel Milk* programme connects Malian refugees with host-community members who are engaged in value chain activities related to milk production. It also draws on the expertise of partner organizations (e.g. *Vétérinaires Sans Frontières* has provided animal health care to produce more milk; *Save the Children International* has provided education on nutrition). Practical training includes courses on milk production, as well as on skills for entrepreneurship and business development. The programme also provides technical and advisory support to refugee microenterprises.

☒ **Burkina Faso:** The *Design for Peace* programme offers a train-the-trainer approach whereby refugee artisans work with French designers to improve their product design and manufacturing skills, while being coached on entrepreneurial and commercial skills such as quality control, inventory management, pricing and local sales management.

**Finland:** Workshops organized as part of the *Newcomer Bootcamp* for aspiring refugee entrepreneurs are delivered by experts in business start-ups and investment, including successful refugee entrepreneurs.

☒ **Greece:** The *Changemakers Lab* offers train-the-trainer workshops to give refugees the tools and skills needed to become coding instructors. These newly trained instructors then deliver coding workshops across UNHCR refugee camps.

☒ **Nepal:** The *HOST Initiative* partners with private sector experts to offer training in hospitality such as sanitation and cooking, as well as other tourism-related business activities such as organic farming, tour guiding and coffee growing. The *HOST Initiative* training sessions are delivered by partners with specific areas of expertise: e.g. the *Trekking Agencies' Association of Nepal*, the *Hotel Association Nepal*, the *Restaurant and Bar Association of Nepal*, and the *Village Tourism Promotion Forum Nepal (VITOF – epal)*.

☒ **Syrian Arab Republic:** The *I Love Syria* initiative trains participants to produce handicrafts and jewellery products, with a train-the-trainer component that has seen several experienced crafters being trained to teach other participants.

☒ **United States:** The *Business Center for New Americans (BCNA)* aims to support the self-sufficiency of immigrant and refugee entrepreneurs in New York City by providing access to affordable credit, empowering them with financial education and offering training on best business practices and technology. Many of the staff at BCNA are immigrants themselves; they therefore have first-hand knowledge of the challenges that immigrants face. They are also able to communicate with clients in their native languages.

☒ = See case studies in the Annex

## 3.4 Strengthen synergies between projects on entrepreneurship training for refugees and migrants with vocational education programmes and support for basic needs

Entrepreneurship education offered in isolation from other integration activities often fails to realize its full potential. Many integration programmes focus on providing vocational education and training in specific industries, often without accounting for the skills and competence that migrants and refugees have. Despite the vocational knowledge and qualifications such programmes may provide, they do not necessarily immediately link beneficiaries to employment. There is often a disconnect between training on vocational skills and training on entrepreneurship, with initiatives sometimes seen as being in competition for participants rather than drawing on the complementarities that can be achieved through collaboration. To overcome these challenges, many initiatives are implementing entrepreneurship education as a complement to vocational education, as it can provide opportunities for beneficiaries to apply their skills immediately in self-employment. Entrepreneurship education can also be aligned with traineeships, internships

and other complementary pathways to formal employment. Box 3.4a highlights examples of entrepreneurship education programmes with connections to vocational education programmes.

### Box 3.4a. Entrepreneurship education programmes with connections to vocational education programmes

📌 **Ecuador:** The *UNHCR Livelihoods programme* is offering technical training in a range of vocations linked to labour-market demand and potentially tied to job bank or talent placement initiatives alongside entrepreneurship training. UNHCR Livelihoods promotes the self-reliance and economic inclusion of refugees through the GMA. Refugee families are guided step-by-step through a personalized path to help them move out of extreme poverty and “graduate”. The GMA supports beneficiary households in generating income through both self-employment and wage employment. A key component of the GMA’s holistic approach is therefore the building of core capacities: preparatory skills training helps people with no previous education or training to compete in the labour market and build livelihoods, and is combined with education on legal rights, cultural norms, basic household and business financial management, and financial literacy. Participants engaged in the self-employment track also receive entrepreneurship training.

**Egypt and Greece:** From 2009 to 2011, the *Joint Migration and Development Initiative (JMDI)* of which *IOM* is part, ran a project on migrants’ skills transfer in aquaculture and fisheries. The project trained Egyptian migrant workers in Greece on fishery and aquaculture techniques and contained a skills-transfer component by which migrants in the Greek industry assisted their counterparts in Egypt in establishing aquaculture businesses.

📌 **Jordan:** The *BINA Building Livelihoods* project of the *Business Development Centre (BDC)* trained 50 Jordanian and Syrian refugee women in plumbing, in order to build vocational skills for employment and self-employment. As a result of the project, 25 women were certified as home maintenance professionals by the Ministry of Labour Saaqa, 4 were hired in the private sector, and 21 founded six group businesses.

📌 **Myanmar:** *ENDA Myanmar* is working alongside the *IOM Local Vocational Training* programme to provide a seven-month entrepreneurship course to graduates from vocational training for tailors, beauticians, electricians and plumbers.

📌 **Rwanda:** *Indego Africa* provides vocational and business training to female Burundi refugees with artisanal skills, training the female artisans to manufacture crafts for export to international markets as well as for local sale, and to form and manage their own cooperatives. *Indego* sells the finished products manufactured by the cooperatives to wholesale clients around the world (65 per cent) and through its e-commerce website (35 per cent). The project is monitored and coordinated by UNHCR.

**United Republic of Tanzania:** The *Danish Refugee Council’s Business Development Programme* supports middle-sized businesses in Mtendeli refugee camp in United Republic of Tanzania with training and financial support to scale up their business activities. Participating refugee businesses commit to training five interns in the technical skills of the business (e.g. in bicycle repairs, hairdressing, basket production), who are then able to open their own businesses.

📌 **Uganda:** The *Norwegian Refugee Council (NRC)* is implementing a six-month *Vocational Skills Training (VST)* programme for young refugees. It delivers the programmes in refugee camps but is also considering the development of a mobile training unit to reach migrants and refugees based outside of camps, who face challenges in commuting. Participants receive training in eight vocations, as well as in business development skills. The programme combines such training (e.g. bakery, bricklaying and concrete practice, carpentry, electronics, hair dressing, horticulture, poultry and tailoring) with entrepreneurial skills courses. The entrepreneurial skills taught include business planning, business management, group dynamics, record-keeping and agronomic practices (for those training in poultry and horticulture). The training is free and delivered on-site by experienced Ugandan staff, and free childcare is made available on-site to participating mothers with small children. In order to scale up the programme, NRC may create a mobile training unit and open a dormitory to allow potential trainees who would otherwise find it difficult to commute to the refugee settlements to participate in the training programme. Over 1,000 beneficiaries have so far graduated from the programme.

**United Kingdom:** The *Entrepreneurial Refugee Network (TERN)* pre-incubator programme helps to place potential refugee entrepreneurs in part-time employment with TERN’s employment partners, giving participants insights and experience in different business sectors, while developing skills relevant for both employment and self-employment.

**United States:** The *MarketShare* programme combines culinary training with business incubation and start-up support to enable refugee and immigrant participants to start their own food businesses.

**United States:** The *New Entry Incubator Farm Training Programme* offers new immigrant farmers regular field-based training as well as one-to-one technical assistance to help them start up their own small farm businesses.




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Beyond the disconnect with vocational education, entrepreneurship education initiatives are often run in isolation from other integration programmes, which can inhibit refugees' and migrants' engagement in entrepreneurship. They may face unique administrative requirements that discourage participation in self-employment – e.g. registering a business may compromise their access to social protection benefits. In such cases, integration and migration policies may undermine the success of entrepreneurship support policies. Calibrated approaches aimed at gradual transitioning to entrepreneurship may work better.


Some initiatives strengthen synergies by creating partnerships between entrepreneurship education and integration activities such as language training and employment programmes. Box 3.4b highlights examples of entrepreneurship education programmes for refugees and migrants that have developed strong synergies with other integration supports (e.g. language and cultural training, employment programmes, counselling, life skills, financial literacy, legal support, health care services, nutrition, education, housing services). The use of cash-based interventions as a means to support local entrepreneurship is in line with global commitments, particularly in fragile and crisis settings.<sup>56</sup>

#### **Box 3.4b. Entrepreneurship education programmes for refugees and migrants that have developed strong synergies with other integration programmes**

**Afghanistan, Lebanon and Jordan:** The *UNHCR's Cash-Based Interventions* strategy aims to help refugees meet their basic needs (e.g. food, shelter, water, and access to and use of services) as a precondition to increasing their income generation and building sustainable livelihoods.


 **Burkina Faso:** The *Sahel Milk* programme, focused on Malian refugees, is delivered in coordination with the activities of other service providers: e.g. the World Food Programme (which provides mixed stipends including food rations and cash), the Centre de Support en Santé Internationale (which provides health care services) and Save the Children International (which provides nutrition education). The programme works with Malian refugees and host-community members who are engaged in milk value chain activities, in order to help them establish profitable and sustainable dairy activities and microenterprises.


**Canada:** The *Newcomer Centre of Peel* provides a range of services for new immigrants to assist in their settlement and integration, including English language training, community social events and counselling on a range of topics such as Canadian law and justice, physical and mental well-being, finances and taxation. An integral part of the Centre's Labour-Market Access programme is its Global Business Centre, which provides one-to-one practical guidance and training on how to establish a business in Canada.

 **Ecuador:** The *UNHCR Livelihoods* programme connects aspiring entrepreneurs with other UNHCR and WFP programmes that provide cash assistance for participants' basic needs because they believe that not meeting these needs will inhibit households from taking on any meaningful longer-term livelihood strategy.

**Ethiopia:** The *International Rescue Committee's* youth and livelihoods entrepreneurship education programme provides participating refugees with practical guidance and in-kind support for the development of their business plans, as well as training on problem-solving, decision-making, creativity and life skills to foster their self-sufficiency and resilience for life outside the refugee camp.

**Europe:** The *EU's Action Plan* on the integration of third-country nationals provides a common policy framework and supporting measures to help third-country nationals to contribute economically and socially to EU societies. Entrepreneurship is recognized as an important channel to achieve this goal, and EU countries are therefore encouraged to open up mainstream entrepreneurship support structures to third-country migrants, as well as to promote the development of business training and mentoring tailored to the needs of third-country entrepreneurs.

 **Rwanda:** The *Inkomoko Refugee Entrepreneurship Programme* has built strong partnerships with field staff in other organizations who work directly with refugees and provide access to different services (e.g. health, shelter, protection, education), coordinated by *UNHCR*, as these services have an important impact on refugees' well-being and on their consequent success as entrepreneurs.

 **Sweden:** The *Ester* programme works with local government authorities to find solutions to overcome the secondary challenge that once participants register their businesses, they are no longer eligible for financial support from the programme.

 = See case studies in the Annex

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## 4. FACILITATING TECHNOLOGY EXCHANGE AND INNOVATIVE START-UPS

As discussed in section 2, migrants and refugees bring new perspectives, ideas, skills and capabilities to host societies and can stimulate innovative activity. The in-depth case studies and discussions with experts for this guide suggested that one of the best ways to promote entrepreneurship by migrants and refugees is to include them in local and national innovation and entrepreneurship ecosystems. By creating linkages to the private sector, providing access to infrastructure, creating working spaces, and supporting the diffusion of information and communication technology (ICT), host societies can embed migrant and refugee entrepreneurs within the entrepreneurial community. Greater embeddedness represents an opportunity to harness the resources newcomers offer to host communities, and in so doing it also provides an opportunity to address societal perceptions of migrants and refugees as a burden rather than as contributors to economic growth.

To understand the potential contributions of migrants to innovative entrepreneurship, it is helpful to distinguish different forms of innovation. Innovation encompasses improvements not only in end products or services but also in the processes and strategies businesses employ to create them. Process innovations address changes in how goods and services are produced and can lead to frugal innovation, the reduction of cost and complexity in creation processes that reduces the resources needed to create a product and the cost of the final good or service for the consumer. Migrants and refugees can contribute to process innovations by using and adapting their knowledge of processes from different geographical and economic contexts, which may have included low-resource contexts where creative solutions to challenges in the production process were needed. Strategy innovations address shifts in how a business is organized and how it generates a value proposition, which can include expansion of businesses into new markets or identification of new sources of raw materials and resources. Migrants and refugees can contribute to strategy innovations with their knowledge of different countries and markets and their often dispersed and diverse social networks.

Inclusive innovation ecosystems, or “hubs”, and co-working spaces that enable refugees and migrants to work alongside other entrepreneurs can be effective means of facilitating knowledge and technology exchange and innovation. Policymakers can also support the diffusion of, and training in, ICT among migrants and refugees. Such technologies afford entrepreneurs the opportunity to expand the markets in which their services are offered, which again can be enhanced by migrants’ transnational social networks. The rise of social entrepreneurship and social innovation provides another important avenue to support migrant and refugee entrepreneurship by aligning policy initiatives with the changing nature of business. Where new technologies and social innovations are developed to help address the challenges faced by migrants and refugees, knowledge-sharing platforms can support the replication and scaling-up of such solutions. The table below summarizes policy objectives and recommended actions.

## Policy Area 4 - Facilitating technology exchange and innovative start-ups

Policy options	Recommendations
<p><b>Develop private sector linkages and include refugees and migrants in entrepreneurship ecosystems</b></p>	<ul style="list-style-type: none"> <li>• Develop market linkages and income streams for migrant and refugee entrepreneurs in local start-up ecosystems through developing linkages to incubator and accelerator programmes, private sector companies, entrepreneurs, industry professionals, universities and mentors</li> <li>• Support platforms that connect migrant and refugee entrepreneurs with national and global entrepreneurship ecosystems and consumers (including export support to countries of origin)</li> <li>• Encourage university-based entrepreneurship centres and vocational training institutions to support migrant and refugee entrepreneurs</li> <li>• Provide resources to place-based entrepreneurship ecosystems</li> </ul>
<p><b>Create working spaces and access to infrastructure (e.g. internet, phone, electricity) that support migrant and refugee entrepreneurship</b></p>	<ul style="list-style-type: none"> <li>• Provide co-working spaces for migrant and refugee entrepreneurs alongside local entrepreneurs</li> <li>• Provide access to working spaces with Wi-Fi access, power and meeting rooms</li> <li>• Provide access to manufacturing and workshop spaces (maker spaces) related to specific industries (e.g. digital manufacturing, woodworking, commercial kitchens)</li> <li>• Provide access to retail spaces that enable migrant and refugee entrepreneurs to test ideas through pop-up shops</li> <li>• Invest in ICT backbone infrastructure in rural and remote rural settlements to facilitate mobile network services</li> <li>• Provide access to computers and telephone and internet connections for migrant and refugee entrepreneurs</li> <li>• Support e-commerce platforms for migrant and refugee businesses with planned cross-border operations</li> </ul>
<p><b>Support greater diffusion of and training in ICT and new technology for refugee and migrant communities</b></p>	<ul style="list-style-type: none"> <li>• Support initiatives that develop digital literacy through training migrants and refugees in new technologies such as coding, IT, digital fabrication (3D printing) and social media</li> <li>• Support initiatives focused on developing technological solutions to the challenges faced by migrants and refugees</li> <li>• Support migrants and refugees, including those in transit countries, to develop services that can be offered transnationally/remotely via digital platforms (e.g. software development)</li> <li>• Support the development of digital “bazaars”, e-malls, and e-marketplaces that support small local producers in exporting products by creating shared infrastructure and shared resources needed to ensure regulatory compliance</li> </ul>
<p><b>Promote social innovation and social enterprises for refugees and migrants and by refugees and migrants</b></p>	<ul style="list-style-type: none"> <li>• Support social enterprises and social innovation initiatives that link migrants and refugees with employment and potential self-employment opportunities</li> <li>• Support programmes and platforms that facilitate collaboration between migrants, refugees and the broader community on solving the challenges faced by migrants and refugees</li> <li>• Map out and support platforms for sharing knowledge and best practice, in order to facilitate the adoption of successful social innovations from elsewhere</li> <li>• Support initiatives that encourage migrants and refugees to engage in social and sustainability entrepreneurship</li> <li>• Support social enterprises that provide employment and training opportunities for migrants and refugees</li> </ul>

## 4.1 Develop private sector linkages and include refugees and migrants in entrepreneurship ecosystems

A number of initiatives recognize the importance of embedding migrant and refugee businesses into value chains and markets, both local and international. Some do this by helping these entrepreneurs to engage with local businesses, suppliers, buyers and consumers; others support the development of value chains and markets for refugee- and migrant-produced goods, including developing export links to countries of origin; and some take an active and sustained intermediary role, by commissioning, marketing, selling and distributing refugee- and migrant-produced goods on international markets, often through e-commerce platforms. These initiatives highlight the need for policymakers to support the development of private sector linkages, by encouraging the private sector to engage, by removing obstacles to engagement and by supporting initiatives that help refugee and migrant entrepreneurs to build links with private sector actors. Box 4.1a provides exemplars of such initiatives.

Opening up access to mainstream innovation and entrepreneurship support networks is necessary to allow migrants and refugees to successfully contribute to developing high-growth business areas. A background paper for a 2016 EU conference on migrant entrepreneurship points to high-tech business incubators as an example of good practice in providing targeted business support measures.<sup>57</sup> A report by the Migration Policy Institute emphasizes that targeted support measures for migrant entrepreneurs should be complemented with policies to facilitate migrant entrepreneurs' access to mainstream business support programmes, which are important for integrating migrant entrepreneurs into broader business communities and opening up their access to business opportunities across different sectors in the economy (i.e. not just in ethnic niches).<sup>58</sup> Encouraging university-based and vocational education entrepreneurship centres and programmes to support

### Box 4.1a. Initiatives developing private sector linkages for migrant and refugee entrepreneurs

- 📄 **Burkina Faso and Ghana:** *UNHCR's Milk and Artisanal Value Chain programmes* for Malian refugees in the Sahel region (including Sahel Milk, Design for Peace, and Weaving for Change) have helped to train farmers and artisans to form associations with links into local and international consumer markets.
  - 📄 **El Salvador:** *ADEL Morazán's Youth Entrepreneurs Program* connects graduate entrepreneurs with local businesses in order to facilitate their integration into local value chains, while assisting the entrepreneurs in developing relationships with the suppliers of the big grocery stores across the country and helping graduates to meet these suppliers' requirements.
  - 📄 **Finland:** *Start-up Refugees* is an NGO working to integrate refugees into Finnish society through entrepreneurship. It relies on a large network of professionals and entrepreneurs, universities, private sector companies and city governments to run its business incubator and provide aspiring refugee entrepreneurs with links into local business opportunities.
  - 📄 **Lebanon:** *COSV* is supporting Bouzourna Jouzourna, an organic farming start-up, which aims to stimulate demand for and develop a value chain for organic produce.
  - 📄 **Rwanda:** *Indego Africa* provides vocational and business training to female Burundi refugees with artisanal skills and trains them to manufacture crafts for export to international markets as well as for local sale. Indego then acts as an intermediary, selling the finished products manufactured by the cooperatives to wholesale clients around the world and through its e-commerce website.
- United States:** The *Spice Kitchen Incubator* works to connect refugee entrepreneurs starting their own food businesses with market opportunities and co-branding to help participants access the mainstream food business markets.
- United States:** *Big River Farms* supports immigrant and refugee farmers through its community-supported agriculture programme, which provides a market for the farmers' produce. In addition, Big River Farms encourages participating farmers to develop their own value chains by selling through farmers' markets, wholesalers and restaurants.

📄 = See case studies in the Annex

migrant and refugee entrepreneurs is another avenue to creating a more inclusive entrepreneurship ecosystem.

In addition to improving access to innovation and entrepreneurship support systems, policymakers can support initiatives that facilitate direct collaboration and co-working among refugee, migrant and local innovators and entrepreneurs. Such collaboration can catalyse innovation and growth, support social cohesion and solidarity, and help overcome political and public resistance to the arrival of migrants and refugees in host communities. A number of case studies reviewed for this guide indicated a common focus on bringing refugee and migrant entrepreneurs together with locals; involving students and local youth in incubator activities was highlighted as an especially effective way of facilitating collaboration and inclusion, as was the use of incentives such as business support and seed-funding prizes for mixed teams of newcomer and local entrepreneurs. One approach to engaging migrant and refugee entrepreneurs within the local entrepreneurship ecosystem is outlined in box 4.1b, on the InnoCampus Start-up Accelerator Programme in Turkey. Box 4.1c highlights other programmes that engage migrants and refugees in entrepreneurship and innovation ecosystems.



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Participants of Changemakers Lab in Lesvos Island, Greece.

#### Box 4.1b. InnoCampus' Start-up Accelerator Programme

The *InnoCampus* is a collaborative Turkish non-profit organization aiming at providing an innovation and entrepreneurship experience to young entrepreneurs. Besides its Start-up Accelerator Programme for entrepreneurs and an entrepreneurship and creativity summer camp for high schools, the organization also arranges technology workshops for children and Start-up Weekends.


The comprehensive Start-up Accelerator Programme offers trainings, mentor support and investor pitches organized in Turkish cities to bring young people's business ideas to life. The programme targets all local population and refugees who want to become entrepreneurs. It involves three trucks with special containers travelling from city to city, providing training on entrepreneurship, innovation, creativity and technologies. So far, the programme has delivered three accelerator projects targeting migrants and refugees, in collaboration with IOM in Gaziantep, Izmir and Sanliurfa.


Source: <http://innocampus.org/en/>.

### Box 4.1c. Programmes that engage migrants and refugees in entrepreneurship and innovation ecosystems

**Australia:** *LaunchVic* is the Victorian Government's independent agency leading the development of the state's start-up ecosystem. Its third round of funding aimed to increase the inclusion of migrants and refugees specifically, by awarding a total of A\$1.396 million in funding to local programmes that help aspiring refugee and first-generation migrant entrepreneurs to access and participate in the start-up ecosystem, and in particular in setting up innovative start-ups.

**Australia:** The aspiring refugee entrepreneurs who participate in the *Ignite Small Business Start-ups* programme are helped by an enterprise facilitator to build a business support network of industry experts, marketing professionals, financial managers, mentors and others.


 **Finland:** *Start-up Refugees* runs a business incubator that provides aspiring refugee entrepreneurs with mentorship, support in developing a business plan and navigating relevant Finnish regulatory requirements, and opportunities to meet with local businesses and investors.

 **Greece:** The *Changemakers Lab* in Lesvos runs the Accelerator, a four-month incubation programme where students, refugees, volunteers and other stakeholders collaborate to test, implement and accelerate ideas for tech-enabled businesses. The organization's longer-term vision is to build a global humanitarian tech hub in Lesvos, attracting start-ups, investors and digitally skilled workers, in order to demonstrate the economic opportunity that refugees and asylum seekers represent.

**Israel:** *Microfy* offers *Business Owner Forums* that enable entrepreneurs from disadvantaged backgrounds (including refugees) to connect with and learn from a supportive community of other business owners and professionals.

**Kenya:** *UNHCR Livelihoods* has introduced 'e-Entrepreneurship', which matches refugee youth with employment opportunities such as online marketing and telemarketing of products made in the Karkuma refugee camp.

**Netherlands:** *Faces of Change* offers a range of entrepreneurship master classes for refugees, including one called "Leading in Innovation", which is designed to help business owners embed innovative practices into the day-to-day operations of their business.

 **Switzerland:** The *SINGA Factory* entrepreneurship development programme supports people from outside the EU/EFTA zone with refugee and migrant backgrounds to implement their tech start-up ideas. The programme supports the integration of refugee entrepreneurs into local entrepreneurship and innovation ecosystems by also accepting applications from Swiss and EU citizens, provided they start a business with an entrepreneur from a refugee background.

 = See case studies in the Annex

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## 4.2 Create working spaces and access to infrastructure

Providing refugee and migrant entrepreneurs with workspaces and access to infrastructure (e.g. internet, phone, electricity) can be an effective means to support them in developing their business ideas. Depending on the business type and stage of business development, entrepreneurs may need office space, workshop space, retail space, industrial kitchen space or farmland. Some initiatives place particular emphasis on the importance of providing co-working spaces that allow migrant and refugee entrepreneurs to work alongside entrepreneurs from local communities, in order to facilitate the exchange of ideas, collaboration and mutual learning. Such co-working among people from different backgrounds and with different perspectives, ideas and skill sets promotes innovation, and can help social integration and cohesion.<sup>59</sup> Examples of initiatives that create workspaces to support migrant and refugee entrepreneurship are provided in box 4.2.


### Box 4.2. Programmes creating workspaces that support migrant and refugee entrepreneurship

**Global:** *Libraries Without Borders* aims to stimulate social entrepreneurship within refugee camps and host communities through their Ideas Box (a pop-up multimedia centre and portable library) and FabLabs projects that provide co-working spaces and access to informational and educational resources.


**Denmark:** *Refugee Entrepreneurs Denmark* provides refugees with free workspace where they can develop their business ideas alongside Danish entrepreneurs.

**Greece:** *The Refugee Bus* provides Wi-Fi access and phone-charging stations to refugees in camps in Greece and parking lots in Calais, in order to facilitate their communication and access to information.

**Greece:** The *Astro-Lab* offers refugees and host community members co-working spaces as well as access to a Fabrication Laboratory equipped with digital manufacturing technologies, electronics and hand tools that can be used for the prototyping and production of commercial products. A wood workshop is also available for traditional woods craftsmanship.

 **Greece:** The *Changemakers Lab* in Lesbos runs the Accelerator, an incubation programme delivered in collaboration with the University of Aegean, which brings students, refugees, volunteers and other stakeholders together to test, implement and accelerate business ideas. The organization also provides a co-working space where entrepreneurs can work alongside each other, exchange ideas and build networks.

**Netherlands:** *Delitelabs* offers participants in their short JOYN workshop and three-month incubation programme access to co-working space.

 **Portugal:** The *PEI Initiative* works with their local implementing partners to offer facilities, such as office space, computers and internet connectivity, to help participants further develop their business plans.

**United States:** *MarketShare* provides affordable start-up space to aspiring refugee and immigrant entrepreneurs looking to start a business in food.

**United States:** The *Spice Kitchen Incubator* offers refugee participants and alumni of its program affordable access to commercial kitchen space and storage that they can use to develop their food businesses.

**United States:** *Big River Farms* provides immigrant and refugee farmers with a plot of land and access to farm infrastructure so that they are able to grow their own small, sustainable, commercial farms.

**United States:** Buffalo's *West Side Bazaar* is a small business incubator that offers refugee and immigrant entrepreneurs space to sell their products to customers, before they have a shop of their own.

 = See case studies in the Annex

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### **4.3 Support greater diffusion of and training in ICT and new technology for refugee and migrant communities**

Not all social innovation relies on new technologies, but some technologies have created significant opportunities for migrants and refugees to develop sustainable economic activities that make use of the linguistic, cultural, financial and geographic profiles that shape refugee and migrant economic integration. Worldwide, there are diverse efforts to give refugees and migrants access to ICT and other new technologies, both by providing training in these technologies and by providing physical access to the technologies and related infrastructure. Many initiatives use digital technologies to give refugees and migrants access to broader training and education and enhance digital literacy.

The examples in box 4.3 show how different initiatives are capitalizing on the potential of new technologies to support the development of sustainable livelihoods among refugees and migrants. These initiatives recognize the benefits of providing refugees and migrants with access to and training in technologies for the development of new products, access to and training in technologies for the development of their businesses (e.g. marketing), training in digital skills that are needed in high-growth sectors (e.g. coding and digital fabrication) and digital technologies that facilitate further learning (e.g. online entrepreneurship and higher education courses).

Technologies that facilitate knowledge exchange and continuous learning give migrants and refugees the opportunities not only to learn but also to teach. Digital learning platforms allow the transfer of knowledge and experience across long distances, which can enable migrants and members of the broader diaspora to contribute knowledge and experiences to others without requiring physical movement. This can be especially useful in promoting “virtual returns”, as migrants can contribute to the learning in their communities of origin without physically returning, which can in some circumstances compromise their legal position.

Policymakers can support such initiatives and facilitate refugee and migrant entrepreneurs’ access to technologies such as computers, telephone and internet connections, and e-commerce platforms, in order to support the growth of their businesses. In many developing countries, policymakers may need to invest in ICT infrastructure, especially in rural and remote settlements, to realize the benefits of ICT and new technologies.

Finally, policymakers can also support initiatives focused on developing technological solutions to specific challenges faced by migrants and refugees. Working alongside locals, migrant and refugee entrepreneurs can develop, test, pilot and implement innovation solutions to common challenges. The Global Techfugees movement and the Changemakers Lab in Lesbos, Greece discussed in box 4.3 are examples of how different programmes are connecting technological solutions with the target users.



### Box 4.3. Initiatives supporting the diffusion of, and training in, ICTs and new technologies for refugee and migrant communities

📌 **Argentina:** *MIRARES* provides beneficiaries with a Technology Access Room. Each room provides 10 computers and internet access, enabling beneficiaries to search for information, find employment opportunities, communicate by email and through social media, write resumes and produce marketing materials such as promotional brochures. In addition, *MIRARES* provides cooperative production spaces for carpentry and leatherwork. In these spaces, entrepreneurs can produce and sell their products, while learning from each other, exchanging ideas and building relationships. These cooperative working spaces are now fully functional and support on average of 25 workers.

**Germany:** The *Digital Career Institute's Devugees* programme trains refugees in coding through one-to-one coaching, a four-week orientation course and a 12-month web development course.

**Global:** *Techfugees* is a global initiative that aims to coordinate the international tech community's response to the needs of refugees, asylum seekers and displaced people through the development of tech solutions by and for such people. *Techfugees* organizes conferences, workshops, meet-ups and hackathons to help generate innovative solutions to identified needs.

**Greece:** *Astro-Lab* educational courses and workshops offer refugees and host-community members training and support in the use of technologies for the innovative design and production of new products.

📌 **Greece:** The *Changemakers Lab* in Lesbos collaborates with SAP's Refugee Code Week, which takes a train-the-trainer approach to developing coding skills among refugee and local youth. During their workshops, a team of coding instructors teaches the tools and skills that participants need in order to become coding instructors. Once trained, participants can become trainers in Refugee Code Week, a free coding workshop for children and youth aged 8 to 24 across UNHCR Camps, community centres and universities in nine host and transit countries.

**Iraq:** The *University of Duhok and UNESCO Iraq Office* are offering entrepreneurship training, and advanced, internationally certified IT courses have been given to Syrian refugee youth.

**Jordan:** The *FabLab Irbid* offers Jordanian and Syrian entrepreneurs access to digital fabrication facilities for technical prototyping, as well as a global knowledge-sharing network that facilitates learning and collaboration.

**Jordan:** *ReBootKamp* is an immersive four-month coding boot camp for refugees and at-risk host community members. Intensive training is complemented with mentorship from tech professionals who help to introduce camp students to the local professional environment and career network.

**Jordan, Germany, France and Lebanon:** *Kiron* has a range of projects that use digital technologies to facilitate refugees' access to higher education.

📌 **Malaysia:** The *Micro-Entrepreneurship Development (MED)* for refugees aims to increase the economic self-sufficiency of refugees from vulnerable households in the Klang Valley through the establishment or expansion of micro-enterprises. As part of a wide range of activities, the MED programme assists participants in using technology to market their businesses, for example, through the creation of business cards, flyers and Facebook pages.

📌 **Switzerland:** The focus of the first cycle of the *SINGA Factory* was on tech start-ups, because of the low investment requirements for IT-based start-ups and because the *SINGA* factory has access to a good network of tech start-ups in Zurich. Participants are well-suited to tech start-up activities because they are often highly educated and because, as newcomers to Switzerland, they may have a different view of things, which inclines them towards innovation.

**Turkey:** *IOM's entrepreneurship project* works with refugee migrant and host community youth to develop viable business plans, with some focus on new technologies. For example, Joon was one of the three businesses to participate in the initial four-month phase of the training programme. The programme helped Joon to take an innovative approach to bringing refugees' handicraft products to market, using laser design 3D printing and other technologies.

**Turkey:** The *Karam Lab* is an educational course for Syrian refugee youth designed to build their creative and entrepreneurial skills in design, technology and engineering through hands-on training in the use of, for example, computers, 3D printers and laser cutters.

**United States:** *AnewAmerica's Business Incubation model* for disadvantaged communities (including refugees and migrants) includes training in the use of technology and assistance in obtaining computer equipment in order to help bridge the digital divide.

## 4.4 Promote social innovation and social enterprise for and by refugees and migrants

The growth of social innovation and social entrepreneurship is a global trend that presents opportunities for refugee and migrant integration efforts – both as the direct beneficiaries of such innovation and entrepreneurship, and as social innovators and entrepreneurs themselves. As the exemplars offered in box 4.4a show, social enterprises can provide refugees and migrants with training and skill development, and they can link migrants and refugees with employment and self-employment opportunities. Social innovation also offers a means to find solutions to some of the broader challenges faced by refugees and migrants, and such innovation can be led by refugees and migrants themselves.

Policymakers can support social enterprise and social innovation initiatives that aim to meet the humanitarian and development needs of migrant and refugee communities, as well as initiatives that encourage migrants and refugees to engage in social innovation and entrepreneurship. Programmes and platforms that facilitate collaboration between migrants, refugees and the broader innovation community are particularly important for the development of effective solutions to social challenges, and for fostering social integration and cohesion. Where solutions have already been developed, these can be adapted for new contexts and scaled up for greater impact.


### Box 4.4a. Social innovation and social enterprise for refugees and migrants and by refugees and migrants


**Australia:** *Refugee Talent* is an online platform for matching skilled refugees with long- and short-term job opportunities.


**Finland:** *Zharity* offers an online platform to connect migrants and refugees with employment opportunities that match their professional skills and aspirations, and with other useful services and contacts for potentially starting a business of their own.

**Global:** *Techfugees's Basefugees* project provides an interactive data platform to share knowledge and connect and coordinate activity by different stakeholders, such as innovators, NGOs and impact investors, on the development of tech solutions for challenges faced by refugees.

**Iraq:** *Re:coded* has organized the Social Innovation Hackathon, which brought together local developers, designers, social entrepreneurs, humanitarians and community residents to generate innovative tech solutions for the specific challenges faced by refugees and internally displaced people in the country.

 **Jordan:** As part of the *UNDP and BDC's Skills Exchange Programme*, the *SwitchMed Green Entrepreneurship Programme* trains Syrian refugees and Jordanian host community members to become green entrepreneurs, using a green entrepreneurship business model.

 **Lebanon:** COSV is supporting the development of an organic farming social enterprise (*Bouzourna Jouzourna*), which will provide and strengthen livelihood opportunities for Syrian refugees and Lebanese host community members.

 **Syrian Arab Republic:** Rania Kinge's social enterprise *I Love Syria* empowers internally displaced Syrian women by teaching them new skills and providing them with opportunities to earn an income producing handmade jewellery and accessories which are then sold on international markets. Operating in a conflict zone, *I Love Syria* has faced particular challenges, not only in ensuring access to raw materials and infrastructure, but also due to the international sanctions that restrict the company's ability to use e-commerce platforms.

**Turkey:** The *IOM and InnoCampus* brought together 36 refugee and Turkish computer programmers and graphic designers to participate in a hackathon focused on addressing the problems faced by Syrian refugees in Turkey. The digital solutions developed over the course of the three-day coding event were then taken forward for further development through a three-month Entrepreneurship Accelerator Training Programme.

**Various:** Refugees are starting up *social enterprises* in order to create jobs, support the socioeconomic integration of other refugees and promote social cohesion. For example, Syrian-led catering businesses in Antwerp and Lisbon are employing Syrian refugee women and are helping to introduce Syrian cuisine to local communities.

 = See case studies in the Annex

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The efficient replication and scaling of effective solutions relies on the generation of robust evaluative evidence and knowledge-sharing platforms to share best practice and facilitate the matching of solutions to identified needs. Policymakers can support such platforms and mechanisms, as well as initiatives that aim to replicate successful efforts. For example, hackathons can be designed not only to create new tech solutions but also to identify where solutions developed elsewhere can be applied appropriately to local challenges.

In addition to the exemplars in box 4.4a, boxes 4.4b, 4.4c and 4.4d offer more detailed insights into some social innovation and social enterprise initiatives operating in the migrant and refugee space.

#### **Box 4.4b. First Gens Initiative of YGAP**

YGAP is an international NGO based in Australia. Its mission is to help local entrepreneurs improve the lives of people living in poverty. It was established in 2008 and merged with Spark International in 2015 to join forces to empower impact entrepreneurs with local solutions to local problems. Its programmes focus on accelerating early-stage social impact ventures. To date, YGAP has supported about 300 entrepreneurs who have helped more than 400,000 people living in poverty.

YGAP's First Gens initiative aims to support migrants and refugees who want to create social impact ventures but face challenges in starting and expanding their businesses in Australia. The initiative is funded by LaunchVic, a company created by the Victorian state government to accelerate start-ups and create jobs in the state.

Offered for free, the programme consists of three stages:

- A five-day accelerator. This part of the programme offers training and mentorship to migrants or refugees for their early-stage social impact ventures that have already launched or have a proven model.
- Three months of tailored support. The supports include business mentorship, accounting and legal assistance and access to small grants of up to A\$1,000. The event organized at the end of the stage provides an opportunity for networking with impact investors, philanthropists and industry leaders.
- Support package for growth. Top participants in early stages move into the final phase and have access to an increased support package and up to A\$25,000 of growth capital.

*Source:* Websites of YGAP, First Gens and LaunchVic

#### Box 4.4c. Plan Einstein

In the Netherlands, the Municipality of Utrecht and partner organizations have developed an innovative approach to the reception and integration of refugees who do not yet have a residence permit, designed to foster solidarity and social cohesion, and empower both refugees and local youth to build a better future for themselves. The pilot project is based on the concept “Living Together, Learning Together, and Working Together” in the district of Overvecht:

- Living Together: Newly arrived refugees live in the same building as young people with a connection to the Overvecht neighbourhood. In addition to sharing the home environment, the refugees and local youth residents come together for meals, sports, meetings and a variety of other activities.
- Learning Together: Refugee and local youth residents can participate in educational courses designed to help them prepare for their future. The four educational courses taught are (business) English, (international) entrepreneurship, practical skills and coaching for employment and self-employment, and ICT and computer skills.
- Working Together: Plan Einstein encourages resident refugees and members of the broader host community to interact, get to know each other and work together on their plans for the future.

The development of the pilot project is supported by the EU and has been visited by 15 city politicians as part of a Eurocities Social Affairs Forum study trip.

The project has been designed and implemented by the municipality in collaboration with SOCIUS (a housing corporation for young people), the Utrecht Center for Entrepreneurship (Utrecht University), the Utrecht Council for Refugees, the Utrecht People’s University and the Social Impact Factory. An evaluation of the project is being undertaken by the University of Oxford and the University of Roehampton. The evaluation will focus on the project’s impacts on the participants themselves, the Overvecht neighbourhood and the city of Utrecht. The initiative is co-financed by the European Regional and Development Fund through the Urban Innovative Actions Initiative.

Source: Urban Innovative Actions, Plan Einstein is where you build your future.



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*I Love Syria* crochet bags made by women refugees participating in the *I Love Syria* initiative.

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#### **Box 4.4d. Unlocking talent and self-reliance: Delitelabs' programmes**

Founded as a foundation in Amsterdam in 2015, Delitelabs is a Dutch non-profit organization aiming to support aspiring entrepreneurs in developing and realizing professional projects and thus activating entrepreneurial spirit.

As an inclusive social incubator for vulnerable people in the Netherlands, Delitelabs offers an intensive programme targeted at refugees and migrants who are contemplating their own businesses as a viable alternative to receiving government assistance. However, they avoid using terms such as “refugees” or “distance to the labour market”, and they try to help vulnerable people by offering them an intensive program targeted at individuals.

Delitelabs provides three major learning products:

- Evening lectures (offered for free)
- Short JOYN Bootcamp (offered at a price of €60)
- Three months incubation (offered at a price of €2,970, with several scholarships provided)

All programmes are in English, but most of the trainers also speak Dutch. In 2017, Delitelabs focused on establishing continued operations in Amsterdam, with a targeted capacity of about 200 students per year.

*Source: Delitelabs.*

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## 5. IMPROVING ACCESS TO FINANCE

Access to finance is a key concern for all entrepreneurs as they prepare to start or grow their businesses. Migrant entrepreneurs may face different challenges in accessing various forms of finance. Small business loans issued by a bank, for instance, may be more difficult to access for entrepreneurs who do not have a long-standing relationship with a formal financial institution. Banks may also be hesitant to issue a loan to a business offering new or less well-established products or services. In many contexts, migrant and refugee entrepreneurs are denied formal finance because of the co-occurrence of characteristics that make their businesses higher-risk ventures from the perspective of (conventional) financial service providers.

Migrants and refugees may lack credit history and may have insufficient collateral with which to secure loans. These difficulties may be particularly acute for refugees who have had to flee their countries of origin in haste, and who may not be able to return, which may prevent them from accessing their capital and documentation. In addition, the banking sector may not recognize the documentation provided to refugees by the host country confirming their legal status. These difficulties are often exacerbated by loan providers, who may perceive migrant and refugee enterprises as high-risk, low-profitability ventures and may be distrustful owing to prejudice or because refugees struggle to provide the required documentary evidence. Studies have suggested that migrants and refugees also choose to avoid engaging with formal banking institutions owing to their own perceptions that they are not welcome or will be discriminated against. For all of these reasons, migrants and refugees often rely on personal savings and on informal lending from family, friends, the co-ethnic community and international diaspora, to set up their businesses.<sup>60</sup>

Various initiatives exist that aim to improve access to finance by promoting the use of bank accounts as well as the availability of both traditional and innovative funding sources for refugee and migrant businesses. The policy options outlined here align with the European Commission and OECD policy brief on business start-up finance for disadvantaged groups through promoting alternative funding mechanisms (such as loan guarantees, microcredit, alternative debt finance, crowdfunding, peer-to-peer lending, business angels, Islamic finance and self-financing groups), in addition to grants and “soft” loans, which have traditionally been used to support inclusive entrepreneurship. The policy brief emphasizes the importance of providing practical financial education in conjunction with finance, and it also encourages assistance for aspiring entrepreneurs to enable them to access formal credit markets.<sup>61</sup>

Beyond promoting alternative and traditional sources of funding, many initiatives seek to connect access to finance (both cash and in-kind) to entrepreneurship education programmes. This section highlights initiatives that provide links to finance or in-kind enterprise support as part of their programmes. The United Kingdom’s Centre for Entrepreneurs recommends that refugee entrepreneurship education initiatives should work with banks and other financial institutions in order to facilitate refugee entrepreneurs’ access to finance. Business support staff can build detailed pictures of their clients’ skills, financial responsibility, creditworthiness and business plans, and therefore assist credit providers’ decision-making by acting as trustworthy referees for refugee applicants.<sup>62</sup> The table below summarizes policy objectives and recommended actions.

## Policy Area 5 - Improving access to finance

Policy options	Recommendations
<p><b>Promote alternative and innovative sources of funding for refugee and migrant entrepreneurship</b></p>	<ul style="list-style-type: none"> <li>• Promote access to alternative and innovative sources of funding for refugee and migrant entrepreneurs, including these:               <ul style="list-style-type: none"> <li>- Crowdfunding</li> <li>- Peer-to-peer lending</li> <li>- Self-finance groups and cooperatives</li> <li>- Diaspora investment</li> <li>- Islamic finance</li> <li>- Matching funds</li> </ul> </li> <li>• Support platforms that allow migrants and diaspora members to identify businesses in countries of origin seeking start up or growth capital, and invest in facilities that match diaspora (angel) investors to enterprises</li> <li>• Assess the availability of collective remittance schemes and collate findings on the scope, use, and effectiveness of such schemes in supporting migrant and refugee entrepreneurs, including government matching programmes</li> <li>• Support local financial cooperatives, commercial financial institutions, and governments to expand insurances (e.g. crop insurance, business insurance, asset insurance) for migrant and refugee entrepreneurs and their families</li> </ul>
<p><b>Support refugee and migrant entrepreneurs in accessing the formal banking sector</b></p>	<ul style="list-style-type: none"> <li>• Encourage initiatives that assist migrant and refugee entrepreneurs in connecting with the formal banking sector (e.g. opening personal and business bank accounts)</li> <li>• Encourage savings activity by migrant and refugee entrepreneurs</li> <li>• Explore fintech and biometric solutions to overcome the challenges of identification and documentation</li> <li>• Provide education and information to regulatory bodies and financial service providers on how to extend services to migrant and refugee entrepreneurs</li> <li>• Promote access to traditional sources of funding for refugee and migrant entrepreneurs, including microfinance</li> <li>• Support initiatives that provide access to finance for migrant and refugee entrepreneurs without sufficient capital or credit histories (e.g. loan guarantees)</li> </ul>
<p><b>Link access to finance (cash or in-kind) to entrepreneurship education programmes</b></p>	<ul style="list-style-type: none"> <li>• Provide education on financial literacy to migrant and refugee entrepreneurs</li> <li>• Encourage entrepreneurship education initiatives that link seed funding for migrant and refugee entrepreneurs to completion the programme (e.g. as part of the selection process, after entrepreneurs reach a certain hurdle, or at the end of the programme as a prize)</li> <li>• Encourage entrepreneurship education initiatives that provide in-kind enterprise support through the purchase of capital equipment or “start-up kits” that provide tools and materials necessary for starting an enterprise in a particular industry</li> <li>• Encourage entrepreneurship education initiatives that support entrepreneurs after obtaining finance</li> </ul>

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## 5.1 Promote alternative and innovative sources of funding for refugee and migrant entrepreneurship

Alternative sources of funding outside the formal banking sector provide significant potential for scaling up migrant and refugee entrepreneurship. Examples include crowdfunding, peer-to-peer lending, self-finance groups and cooperatives, diaspora investment and Islamic finance.

In many developed and emerging market economies, crowdfunding platforms such as Kickstarter and Indiegogo have emerged as novel vehicles for entrepreneurs to access support from their peers, their community and the “crowd” to fund their enterprise activities. Crowdfunding often focuses on projects that have a social focus and thereby lends itself to supporting migrant and refugee entrepreneurs, especially where there is a degree of philanthropic goodwill towards these groups within the broader community. Peer-to-peer lending platforms such as Kiva are leveraging the desire of individuals to support entrepreneurs, particular those in low- and middle-income countries. Peer-to-peer lending offers an alternative to traditional bank loans at competitive rates of interest for migrants and refugees locked out of the formal banking sector. Self-finance groups and cooperatives may also provide opportunities for groups of migrants and refugees to establish savings collectives that allow for investment in entrepreneurial ideas with the group. Islamic finance, a common form of finance around the globe, is also emerging as a form that maybe be relevant for particular groups of migrants and refugees given its compliance with sharia.

Related to peer-to peer-lending and self-finance groups, migrant and refugee entrepreneurs can also benefit from investment flows through their diaspora networks, taking advantage of global co-ethnic support. Members of the diaspora may invest in small businesses, both through targeted business investments (i.e., investments intended for one particular business) or through investment funds, including mutual funds and diaspora private equity funds. Some investment funds are government-supported, such as the Liberian Diaspora Fund, which encourages members of the Liberian diaspora abroad to invest in a range of small businesses in Liberia that need access to capital through a collective investment fund. Other initiatives may be privately supported and targeted at a broader investor pool.<sup>63</sup> Homestrings LLC, for instance, helps match diaspora investors with profitable ventures in the country or region of origin through a model that is broadly in line with crowdfunding.<sup>64</sup> Both examples relate to investment by the diaspora abroad in enterprises in the country of origin, but diaspora members in one country of residence may also support entrepreneurs in another (non-origin) country. Diaspora direct investors may provide start-up or growth financing not only for other migrants and members of the same co-ethnic or diaspora group but also for other small businesses that present valued market propositions. Box 5.1 illustrates various initiatives that provide migrant and refugee entrepreneurs with access to alternative or innovative forms of finance.



### Box 5.1. Programmes that provide access to alternative or innovative forms of finance

**France:** *Babyloan* is a peer-to-peer lending platform that crowdfunds capital to support the businesses of entrepreneurs (including migrants) who do not have access to credit through the traditional banking sector in the country.

**Germany:** Dortmund city authorities created *NordHand*, a cooperative credit union, in 2006 to provide microloans to small and micro-business owners (particularly migrants) who struggle to access credit through mainstream banking services.

**Global:** *Kiva* is a peer-to-peer online lending platform that enables users to invest as little as US\$25 in the businesses of refugees and IDPs, among other entrepreneurs. Corporate sponsors also provide matching funding in some cases.

**Kosovo<sup>65</sup>:** LTS Kosovo<sup>65</sup> is a beneficiary of the IOM-implemented *MSME Grants Programme* funded by the EU Office in Kosovo<sup>65</sup> and the Ministry of Trade and Industry. Founded only five years ago, LTS has transitioned from a logistics and trading company to one of the most successful local producers in Kosovo<sup>65</sup>. Through the support of the programme, the company procured a new steel-roll forming system, allowing it to supply a growing share of the internal Kosovo<sup>65</sup> market with construction materials and increase its exports throughout the region.


**Italy:** The *RE-LAB* project aims to connect aspiring refugee entrepreneurs with emerging financing alternatives such as cooperative credit banks. (<http://www.itcilo.org/en/community/news/from-refugees-to-entrepreneurs>).

 **Italy:** The IOM and the *ETIMOS Foundation* launched the *MigraVenture* programme, implemented with the support of the Ministry of Foreign Affairs and International Cooperation. The programme aims to support migrants of African origin residing in Italy in starting or growing businesses in their countries of origin. It has created a dedicated micro-equity tool to support such migrant enterprise. Participants are given access to a pilot capitalization fund that invests in projects with high potential for socioeconomic development. The fund intervenes with a minority stake in the company's capital, but with the aim of eventually transferring unique ownership to the entrepreneur. Instead of grants, the equity investment approach was chosen in order to give migrant entrepreneurs a sense of ownership and responsibility.

**Kenya:** As part of the *UNHCR Livelihood* programme, *AAHI* (the lead implementing partner) and *Equity Bank* have expanded a revolving loans initiative (at 0 per cent) for refugees looking to develop their businesses. The partnership also promotes table banking, as well as village saving and lending associations.

**Kenya:** A collaboration between *UNHCR*, *Kiva Zip* and *Refuge Point* provided crowdfunded microloans to refugees in Nairobi. Mobile money technology (M-PESA) enabled borrowers to receive funds without the need for a bank account or internet connection, and loan amounts were graduated, such that refugees who established a good repayment record could access higher levels of credit.

**Republic of Moldova:** *PARE 1+1 (Programme for Attracting Remittances into the Economy)* was launched by the government in 2011 to support the start-up and expansion of (M)SMEs in the country through a combination of remittances and government matching funds. Migrants were encouraged to send remittances to the fund as seed financing for individual entrepreneurs, who could receive matching loans from the government equivalent to the value raised through other sources (remittances chief among them). Beneficiaries of the fund could include Moldovan migrants living abroad who wanted to establish an enterprise in Republic of Moldova.

 **Rwanda:** *Kiva* provides a revolving credit line to the African Entrepreneur Collective Rwanda Trustee, which it can use to disburse peer-to-peer microloans to eligible refugee entrepreneurs participating in the *Inkomoko Refugee Entrepreneurship Programme*.

**Spain:** The *Asociación de Comunidades Autofinanciadas (ACAF)* promotes a groups savings model to empower people with low incomes (often migrants) to access credit, without external help. In 2013 ACAF launched an online platform to help disseminate the methodology for self-funded communities worldwide. <http://www.winkomun.org/en>.

**Switzerland:** When the social enterprise *Social Fabric* was set up, a crowdfunding campaign was used to cover the salary of Cissé, a refugee from Côte d'Ivoire who teaches tailoring to the refugees and locals who come to Social Fabric's sewing workshop.

**United Kingdom:** *Start-Up Loans* has developed a sharia-compliant investment product, which means that entrepreneurs who live according to Islamic values do not have to pay interest or finance charges on a business loan, but rather commit to paying an agreed level of profit share.

**United States:** The *Latino Credit Union* in North Carolina is a non-profit, member-owned community development credit union that aims to provide financial inclusion for migrants.

 = See case studies in the Annex

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## 5.2 Support refugee and migrant entrepreneurs in accessing the formal banking sector

Lack of access to the formal banking sector is often cited as a key factor constraining the growth of migrant and refugee entrepreneurship. Exclusion from the formal banking sector may have add-on effects that limit business sustainability, as migrant and refugee entrepreneurs who fail to build formal banking records may also be excluded from adjacent business support services. Furthermore, engagement with the formal banking sector is often also a prerequisite for capital accumulation by migrant and refugee entrepreneurs through savings activity. Box 5.2a provides examples of entrepreneurship initiatives that are directly assisting migrants and refugee entrepreneurs in accessing the formal banking sector through opening personal and business bank accounts and that are emphasizing the role of savings as a source of finance.


### Fintech and biometric solutions


Fintech and biometric solutions are increasingly providing innovations to overcome the challenges of identification and documentation of migrants and refugees in providing banking products. Box 5.2b illustrates various relevant initiatives.

Many entrepreneurs who belong to marginalized populations, including migrants and refugees, may rely on personal savings and on informal lending from family, friends, the co-ethnic community and international diaspora to support their businesses. For many migrants and refugees, the capital available through personal funds and informal lending may be insufficient to start, sustain or grow a business. Migrants and refugees from poor backgrounds, and those who find themselves geographically dispersed and without strong co-ethnic networks, may have particular difficulties in accessing capital. In addition, migrants and refugees may also feel unable to invest personal savings and income in business ventures due to competing pressures to meet the basic needs of their families and to provide support to other relatives, whether back home or newly arrived in the host country.<sup>66</sup>

Female entrepreneurs may be especially relegated to reliance on informal financing channels given biases among formal lenders in some countries, resulting in lower loan rates or higher interest rates

#### Box 5.2a. Programmes that provide education on the formal banking sector

 **Ecuador:** The *UNHCR Livelihoods* programme emphasizes the importance of savings for refugees through the GMA. It helps beneficiary households to acquire a saving habits and to accumulate assets, while promoting advocacy activities to guarantee access to bank accounts and credit for people of concern. UNHCR has made an agreement with *Banco Pichincha*, the largest banking institution in the country, to give participating refugee families access to individual savings accounts and basic financial education. The programme also aims to expand alliances with financial service providers for the inclusion of people of concern in access to products such as micro-insurance, remittances and the like.

 **Rwanda:** *Indego Africa* promotes the financial inclusion of female Burundi refugees in its programme by helping them to open personal bank accounts at a Rwandan commercial bank and by encouraging savings activities.

**United Kingdom:** The *Refugee Council UK* provides detailed advice for refugees on how to set up business bank accounts.

**United States:** *AnewAmerica's Business Incubation model* for disadvantaged communities (including refugees and migrants) incentivizes clients to build savings, and helps them to repair and build credit histories, accumulate assets and prepare for future business loan applications.

**United States:** The *Latino Community Development Center* offers a free financial education programme to improve financial literacy among recent Latino immigrants in North Carolina. Content is delivered both in person and online, to suit different learning styles and needs, and to reach as wide an audience as possible.

 = See case studies in the Annex

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### Box 5.2b. Fintech and biometric solutions to provide access to the formal banking sector

**Europe:** *Taqanu* provides an innovative solution for refugees' financial inclusion. Its blockchain-based platform enables refugees to build a trusted digital identity so that they can access financial and social services through smartphones and social networks.

**Finland:** *Finnish Immigration Services and MONI* gives official identity to asylum seekers linked to the Finnish Immigration Services' digital identification so they can set up bank account start work.

**India:** The *Aadhaar project* created by the *Unique Identification Authority of India* uses biometric-based identification, such as iris patterns or fingerprints, to enable individuals to prove their identity. This biometric ID is linked to bank accounts, and in rural areas with no banks "micro-ATMs" have been created, utilizing shopkeepers and local stores to dispense cash to people with IDs through online interbank counter-transfers to shopkeepers' accounts. This solution not only addresses identity theft but also tackles the issue of lack of ease of access to financial services and vendors.

**Jordan:** *UNHCR, in partnership with Cairo-Amman Bank*, disburses monthly cash assistance directly to refugees' bank accounts. Recipients can withdraw the cash from ATMs, where their identity is verified using iris scan technology. Although not focused on supporting entrepreneurship specifically, this initiative allows refugees to manage their finances more securely and with greater dignity.

**Lebanon and Jordan:** *MasterCard and the World Food Programme* have collaborated to create pre-paid cards that enable refugees to buy food at participating stores. As opposed to in-kind food distribution, the electronic payment system allows refugee recipients to make food choices that best meet their particular needs, and also strengthens local economies.

for female entrepreneurs.<sup>67</sup> The discrimination women may face in formal financing markets may be matched by lower informal financial resources, which may be particularly challenging for some female migrants and refugees who lack personal savings due to the effects of traditional gender roles and childcare responsibilities.

Promoting access to traditional sources of funding for refugee and migrant entrepreneurs can help to overcome the reliance on personal funds and informal lending, as shown by the case of Veneto Lavoro illustrated in box 5.2c. Box 5.2d describes exemplars of various initiatives providing migrant and refugee entrepreneurs with access to traditional forms of finance such as loan products, loan guarantees and microfinance. The examples show that microfinance programmes are increasingly viewed as an appropriate vehicle for supporting migrant and refugee entrepreneurs in starting small-scale ventures.

Loan guarantees are another important support mechanism for migrant and refugee entrepreneurs. A background paper for an EU conference on migrant entrepreneurship highlights the need to raise awareness among credit providers about the particular needs and characteristics of migrant entrepreneurs and to establish systems of loan guarantees for them. A Eurofound report suggests that local authorities may have a role in providing loan guarantees, and even granting microloans, to migrant and refugee entrepreneurs. In addition, policymakers could do more to sensitize banks to the potential business case for courting such entrepreneurs and tailoring products to their needs. It should be noted, however, that a non-guaranteed approach is preferable, as loan guarantees may increase appetite for risk for financial service providers and also may disincentivize borrowers from paying back loans.<sup>68</sup>

### Box 5.2c. Veneto Lavoro Financial Support to Migrant Start-ups

In efforts to minimize the constraints that migrants and their families may face when trying to finance a start-up business, a number of creative initiatives have appeared in the past few years that link government agencies, local financial institutions, community groups, and migrants and their families into entrepreneurship support facilities. One example of a comprehensive support facility is a project started by a government institution from the Veneto region of Italy, Veneto Lavoro. In conjunction with the Romanian National Guarantee Fund for SMEs, Veneto Lavoro acted as guarantor in financing businesses that Romanian migrants residing in Italy have started in their home communities. In addition to offering this innovative guarantee fund model, the project also developed specific financial products for migrants and their families, including a “transnational bank loan” for Romanian nationals and entities in Italy who wish to invest in Romania. The project was designed with sustainability and scalability in mind, and to that end Veneto Lavoro also established a network of collaborators that spanned government agencies in both Italy and Romania, including the Italian Institute for Foreign Trade and the Ministries of Labour and Foreign Affairs of Romania.

Source: IFAD, 2013.



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Women migrants in the Ester programme in Sweden (See case studies in the Annex).

## Box 5.2d. Programmes that provide access to traditional forms of finance

**Australia:** *Thrive* provides affordable microloans of up to A\$20,000 to refugees, on favourable terms which include a fixed 9.5 per cent interest rate and no upfront, ongoing or early termination fees. Loan recipients also receive business support and post-loan mentoring.

**Canada:** *Futurpreneur Canada* has a “Newcomer offering” for young entrepreneurs who have lived in Canada for fewer than 60 months and who have limited or no established credit history in Canada. Eligible entrepreneurs can receive a loan of up to C\$7,500, as well as access to online resources, mentoring and networking opportunities.

**Europe:** The EU’s programme for the *Competitiveness of Enterprises and Small and Medium-sized Enterprises (COSME)* aims to provide access to loans and equity finance for SMEs that would otherwise not be able to access funding due to their perceived higher risk or a lack of sufficient collateral. The COSME Loan Guarantee Facility fund provides guarantees and counter-guarantees for financial intermediaries, while the Equity Facility for Growth programme provide equity financing to SMEs with high growth potential, in particular those operating across borders.

**Europe:** The EU’s *EaSI Guarantee* has made €96 million available to microcredit providers and social enterprise investors to give microcredit and microloans to entrepreneurs from vulnerable groups (including migrants and refugees) who would otherwise not be eligible for such a loan. The initiative also aims to build the institutional capacity of microcredit providers to work with vulnerable groups.

☒ **France/Germany:** The *Human Safety Net – Refugee Start-Ups* project is supporting refugee entrepreneurs to access loans from a local bank or microfinance institution to cover their start-up costs.

☒ **Japan:** The *ESPRE program* is providing access to microfinance for capital investment for refugees who have limited or no access to finance from regular financial institutions or public lending programmes.

**Kosovo<sup>89</sup>:** From 2014 to 2016 *IOM Pristina* supported the scaling-up of production activities in 36 MSMEs through its MSME grant programmes. The programme focused on providing growth capital, which contributed to an increase in exports and to the creation of local employment opportunities.

**Sri Lanka:** With the assistance of the *International Fund for Agricultural Development’s* financing facility for remittances, *Hatton National Bank* developed insurance and loan products designed to meet the needs of migrant workers and their families. The bank established remittance-linked savings accounts, which allowed migrant workers and their families to access tailored insurance products and productivity loans for starting or expanding a small business. The aim of the savings accounts and insurance and loan products was to boost the access of migrants and their dependents in the origin country to formal financial services.

☒ **Sweden:** The *Ester* programme offers migrant women who participate in their 18-month entrepreneurship programme, and whose business plans are approved, opportunities to access affordable microfinance products with reduced risks. This reduced-risk product is made possible through a collaboration with Swedbank (a Swedish bank) and *Johaniterhjälpen* (a charity organization), which has set up an account that guarantees 80 per cent of the loan of each entrepreneur, with loans to be paid back within three years.

**United States:** The *Office of Refugee Resettlement’s (ORR) Microenterprise Development Programme (MEP)* offers refugee entrepreneurs microcredit loans of up to US\$15,000, helps refugees to build or repair their credit history where this is necessary, and may offer a revolving loan fund for credit-builder loans.

☒ **United States:** The *Business Center for New Americans (BCNA)* is supporting migrant and refugee entrepreneurs in New York City by providing access to affordable credit through its Microloan Programme, which provides small business loans and microloans (ranging from US\$500 to US\$50,000, for up to three years) to business owners in New York who are not able to obtain loans from traditional lenders. BCNA also encourages clients to save money for future investments; its savings programmes provide financial incentives, encouragement and practical advice on saving money.

☒ = See case studies in the Annex

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### 5.3 Link seed funding to entrepreneurship education programmes

Another option for promoting access to finance for migrants and refugees is by linking seed funding to entrepreneurship education initiatives. The case studies revealed three main approaches to doing so: (i) allocating funding to all participants after a thorough selection process; (ii) allocating funding after migrant and refugee entrepreneurs reach a certain hurdle (e.g. once they have drafted a feasible business plan); or (iii) at the end of the programme as a prize. Box 5.3a illustrates numerous examples of initiatives that are embedding access to seed capital in their programme, through cash grants or the purchase of specific assets. Building seed capital into entrepreneurship initiatives helps migrant and refugee entrepreneurs to get their businesses off the ground by providing funds to test ideas, build prototypes or buy necessary equipment. Further, introducing seed funding as a prize for high-potential entrepreneurs can act as a vote of confidence in their business and support reinvestment for growth.

#### Box 5.3a. Programmes that provide seed funding for refugee and migrant entrepreneurs

**Australia:** Migrant and refugee social entrepreneurs who participate in the *YGAP First Gen* accelerator have access to small grants of up to A\$1000. At the end of the three-month programme, the top entrepreneurs selected at the final Pitch Event then receive A\$25,000 in capital to grow their businesses.

☒ **Costa Rica:** The *UNHCR Livelihoods* organizes entrepreneurial fairs to improve participants' access to the market. At each fair a panel of judges selects the five best refugee enterprises to receive a US\$600 seed capital prize.

**Denmark:** *Refugee Entrepreneurs Denmark* provides entrepreneurs with access to microfinance. If the organization judges that a refugee enterprise is successful and has high growth potential, it works with the refugee business owner to develop a pitch for investors.

☒ **Ecuador:** The *UNHCR Livelihoods programme* provides refugees who choose to start their own enterprise with a one-off payment of US\$500 in order to jump-start their micro- or small businesses.

**Italy:** The *RE-LAB* project offered grants of up to €15,000 to selected refugee start-ups enrolled in the programme. These initial grants allowed some refugee entrepreneurs to then leverage other sources of funding, such as bank loans and community funding.

**Kosovo<sup>70</sup>:** *INOVA SH.P.K.* is one of the first private enterprises established in Kosovo<sup>70</sup> set up by a migrant entrepreneur, operating since 1989 in the plastic pipes industry. The company produces plastic pipes of different shapes and functions, such as electricity, telecommunications, water, gas, etc. Using IOM's MSME Grant, INOVA purchased a complete production line, which now produces corrugated pipes of different dimensions for use in the telecommunication and electricity industries. As a result of the grant, the company has created 15 long-term jobs.

☒ **Liberia:** The *Business Start-up Centre (BSC) Monrovia* has partnered with the *Liberia Agribusiness Development Activity (LADA)* to provide seed funding of about US\$5,000 each to migrant entrepreneurs in their "Business in a Box" programme.

☒ **Myanmar:** The *EDNA Myanmar* programme in Mon and Kayin states has embedded three tiers of case prizes for migrant entrepreneurs who, during the course of the seven-month program, start a business that has the potential to grow and create positive social impact.

☒ **Netherlands:** *Refugees Forward* runs hackathon weekends which include a final pitch on the Sunday evening. The winning refugee entrepreneurs then receive seed funding and are connected with expert mentors.

☒ **Turkey:** The *UNHCR Livelihoods Programme* offers Syrian refugee entrepreneurs cash grants for the creation and expansion of their businesses.

**United Kingdom:** The *Metropolitan Migration Foundation* and the *Young Foundation's Community-Level Investment in Migrant Businesses (CLIMB)* programme has supported five winning migrant social enterprises with a total of £40,000 in capital, as well as mentorship and promotional opportunities.

☒ **Ukraine:** The *UNHCR Livelihoods* project makes grants available to participants for the purchase of equipment and also for vocational training that they might need to establish or expand their livelihood activities.

☒ = See case studies in the Annex

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## Programmes that provide in-kind support for refugee and migrant entrepreneurs

Beyond direct financial support for enterprise activities, migrant and refugee entrepreneurs also benefit from support given in-kind. In-kind grants can include the purchase of capital equipment or the provision of “start-up kits” that provide tools and materials necessary for starting an enterprise in a particular industry. Many programmes linking vocational education and entrepreneurship education are providing such kits to assist participants in launching an enterprise in a particular sector. Box 5.3b illustrates various initiatives that provide such support.

### Box 5.3b. Programmes that provide in-kind support for refugee and migrant entrepreneurs

☒ **Canada:** The *Darzee* programme focuses on assisting refugee women in improving their sewing skills and becoming independent seamstresses. Graduates from the programme are provided with sewing machines and other tools to work from home as self-employed seamstresses. They also have an option to work on sewing projects for Darzee as independent contractors.

☒ **Ethiopia:** The *IOM's Targeted Livelihood Assistance* programme for refugees identifies potential vocational self-employment activities and provides training and start-up kits to enable beneficiaries to practice these vocations. The program provides South Sudanese refugees and host-community members with the necessary training and materials to earn a living independently through agricultural activities such as beekeeping and poultry raising.

**Ghana:** In 2011, the *IOM's Labour Migration for West Africa* initiative, funded through the EU AENEAS funding mechanism, supported the provision of farming equipment to Ghanaian migrant workers engaged in a short-term, circular, agricultural mobility scheme in Italy. The equipment was intended to support returnee migrants and enable the scaling-up of agricultural activities in Ghana with the eventual aim of supporting the production of export-quality products (e.g. cocoa).

☒ **Uganda:** The *Norwegian Refugee Council (NRC)* is implementing a *Vocational Skills Training (VST)* programme to help young refugees. Upon completion, the young graduates receive a “start-up kit” containing essential tools and inputs for setting up a business in their chosen vocation (e.g. bakery graduates receive an oven, a table, a chair, some baking flour and ingredients; electronics graduates receive an electronics tool box; and hairdressing graduates receive a mirror, a wash basin, a trolley, weaves and mats).

☒ **Ukraine:** The *IOM's Livelihoods Assistance* program provides training to IDPs who want to start their own businesses. Participants who successfully defend their business plan receive a grant (US\$2,700 for existing businesses or US\$900 for start-ups) to procure equipment they have requested in accordance with their business plans.

**West Bank:** The Spanish *Millennium Development Goals Achievement Fund (MDG-F)* project offers grants to vulnerable refugee women to allow them to establish or strengthen their micro-enterprises. The selection process is partially based on the business's potential sustainability, and continual mentoring is provided to grantees to support the growth of their business.

☒ = See case studies in the Annex

## 6. PROMOTING AWARENESS AND NETWORKING

Despite research suggesting that migrants and refugees demonstrate particularly “adaptive entrepreneurial behaviours”,<sup>71</sup> aspiring migrant and refugee entrepreneurs often lack awareness of the support initiatives available to them. For example, a study by Sepulveda et al. (2011) found that migrant entrepreneurs in London typically show low levels of engagement with mainstream business support services, relying instead on advice and guidance from members of their co-ethnic networks. Many migrants and refugees find it difficult to make new business connections outside of their own ethnic groups. Reliance on co-ethnics can compound the stigma and discrimination faced by migrants and refugees, which may further limit interactions with customers and other stakeholders outside of their ethnic communities.

Although reliance on members of the co-ethnic or diaspora community may be a symptom of isolation from the local business ecosystem, members of the diaspora may have specific knowledge and skills that can assist migrant and refugee entrepreneurs in starting and scaling up businesses in countries of both origin and destination. Diaspora networks can provide access to information about market conditions and access points, and they can link entrepreneurs to sources of finance, to potential supply chain partners, and to advisers and mentors with knowledge of specific business sectors. From this perspective, it is important to consider how the diaspora can be integrated into locally based enterprise support facilities as advisers, mentors and networkers.

Many of the initiatives analysed as case studies for this guide highlight practical measures to address migrants’ and refugees’ lack of knowledge about entrepreneurship support and their reliance on limited networks. The examples show how initiatives actively raise their awareness of entrepreneurship initiatives by developing and disseminating information through multiple stakeholders. They also provide insights on the wide variety of networking and mentoring facilities that can help to embed migrant and refugee entrepreneurs within local, national and transnational entrepreneurship ecosystems. Some cases highlight how networks in countries of origin and with the diaspora can be leveraged to adapt products, services and technologies from home countries, thus developing new markets. Finally, the examples show how policymakers and practitioners can actively shift the stigma faced by migrants and refugees by celebrating successful entrepreneurs as role models, highlighting their contributions to job creation, diversity and innovation. The table below summarizes the policy objectives and policy actions to promote awareness and networking.

### Policy Area 6 - Promoting awareness and networking

Policy options	Recommendations
<p><b>Raise awareness of entrepreneurship support and initiatives among migrants and refugees</b></p>	<ul style="list-style-type: none"> <li>• Map potential entrepreneurship programmes and initiatives for migrants and refugees (both targeted and alongside national entrepreneurs) on the basis of target groups, locations and stage of business development</li> <li>• Develop information booklets, social media channels and websites, as well as face-to-face information sessions and outreach activities, in local settings and in multiple languages, to detail start-up services and resources available for migrants and refugees</li> <li>• Engage multiple stakeholders to reach migrants and refugees by establishing strategic linkages between entrepreneurship programmes and other programmes (across public, private and non-profit sectors) supporting migrants and refugees</li> <li>• Engage community leaders from migrant and refugee communities to reach aspiring entrepreneurs</li> <li>• Showcase the potential of entrepreneurship initiatives as opportunities for income generation for migrants and refugees by engaging with the media to enhance visibility of programmes and sharing stories of successful refugee and migrant entrepreneurs</li> </ul>

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## Policy Area 6 - Promoting awareness and networking (Concluded)

Policy options	Recommendations
<p><b>Connect migrant and refugee entrepreneurs with experienced mentors</b></p>	<ul style="list-style-type: none"> <li>• Support initiatives that connect migrants and refugees with mentoring opportunities through both one-off mentoring sessions and longer-term dedicated mentors</li> <li>• Explore and encourage mentoring opportunities that connect migrant and refugee entrepreneurs with relevant mentors, e.g.:               <ul style="list-style-type: none"> <li>- Experienced entrepreneurs and industry professionals</li> <li>- Students and youth with local business knowledge</li> <li>- Successful migrant and refugee entrepreneurs who have gone through similar experience</li> <li>- Migration and refugee experts</li> <li>- Universities and incubation and accelerator programmes</li> </ul> </li> </ul>
<p><b>Create and support networking opportunities for migrant and refugee entrepreneurs</b></p>	<ul style="list-style-type: none"> <li>• Engage cross-sector stakeholders (e.g. chambers of commerce, investors, companies, public institutions, local authorities, NGOs) in networking events alongside national entrepreneurs</li> <li>• Create and support pitching events to help migrant and refugee entrepreneurs to gain traction with investors, philanthropists, government and other entrepreneurs</li> <li>• Support cultural events and showcase events that provide a space to experience migrant and refugee enterprises and introduce novel products and services linked to countries of origin</li> <li>• Support co-working sessions, hackathons and start-up weekends with migrants and refugees alongside students and experts to test and accelerate business ideas</li> <li>• Build online match-making portals to link aspiring migrant and refugee entrepreneurs with potential mentors, collaborators and investors</li> </ul>
<p><b>Support migrant and refugee entrepreneurs in connecting with diaspora networks and networks in countries of origin</b></p>	<ul style="list-style-type: none"> <li>• When safe and appropriate, support migrant and refugee entrepreneurs to establish business linkages, export activities, and explore investment opportunities in their countries of origin</li> <li>• Support programmes that make linkages between countries of origin and countries of destination to provide technical support for transnational migrant and refugee enterprises</li> <li>• Support online platforms to connect migrant and refugee entrepreneurs with diaspora networks as enabler for enterprise growth</li> <li>• Encourage migrant and refugee entrepreneurs to consider nostalgia trade and cultural heritage goods from countries of origin</li> <li>• When safe and appropriate, support migrant and refugee entrepreneurs to establish business linkages, export activities, and explore investment opportunities in their countries of origin</li> <li>• Support programmes that make linkages between countries of origin and countries of destination to provide technical support for transnational migrant and refugee enterprises</li> <li>• Support online platforms to connect migrant and refugee entrepreneurs with diaspora networks as enabler for enterprise growth</li> <li>• Encourage migrant and refugee entrepreneurs to consider nostalgia trade and cultural heritage goods from countries of origin</li> <li>• Create networking events that explicitly target transnational businesses and actors, including diaspora organizations, transnational chambers of commerce, business associations, and regulatory bodies</li> <li>• Support programmes and platforms that help migrant and refugee entrepreneurs identify international supply chain partners, especially among members of diaspora networks</li> </ul>
<p><b>Actively shift the stigma faced by migrants and refugees</b></p>	<ul style="list-style-type: none"> <li>• Recruit and showcase successful migrant and refugee entrepreneurs as role models through various communication channels (e.g. entrepreneurship events, press releases, reports, web platforms)</li> <li>• Invest in research to understand and report the contributions of migrant and refugee entrepreneurs to economic growth, job creation, diversity and innovation</li> <li>• Provide information to stakeholders in entrepreneurship ecosystem on migrants and refugees' rights to work and start a business</li> </ul>

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## 6.1 Raise awareness of entrepreneurship support and initiatives among migrants and refugees

Despite the growth in programmes and initiatives that specifically target support to migrant and refugee entrepreneurs, especially in developed countries, there appears to be little awareness of these initiatives among members of the targeted community. A paradoxical situation has arisen where many programmes lament not being able to connect with enough aspiring migrant and refugee entrepreneurs, yet migrants and refugees express a lack of awareness of potential opportunities to receive entrepreneurship support. Various policy reviews have highlighted the need for central and local governments to more proactively raise awareness of entrepreneurial opportunities and support services available for migrant and refugee entrepreneurs.<sup>72</sup>

Policymakers have an important role to play in raising awareness of entrepreneurship programmes, as government departments and programmes are more likely to have regular interactions with aspiring entrepreneurs and can establish and foster linkages across programmes. Policymakers can start by mapping potential entrepreneurship support initiatives, including those that target migrants and refugees. Social media can be used to disseminate information on programmes to migrants and refugees. Engaging community leaders in raising awareness of entrepreneurship initiatives is also highly effective in reaching aspiring entrepreneurs.

Box 6.1 illustrates various initiatives engaged in raising awareness about of entrepreneurship support and initiatives for migrants and refugees. These exemplars highlight the importance of making information available to aspiring migrant and refugee entrepreneurs through multiple channels and in multiple languages.

### Box 6.1. Programmes focused on raising awareness of entrepreneurship support and initiatives for migrants and refugees

**Australia:** *Hatch Quarter* was funded by the *Government of Victoria* to create a “playbook” that will provide aspiring refugee and new migrant entrepreneurs with information on the start-up resources and services available to them, as well as share the stories of successful refugee and new migrant entrepreneurs.

**France:** *Singa* works in multiple languages and emphasizes the importance of cultural sensitivity when conducting outreach activities to raise awareness among the refugee community about the enterprise support services that it offers.

☒ **Germany:** The *Jumpp* project engages in a variety of orientation and activation activities, reaching out to potential participants through various channels (institutions, network partners, direct approaches and referrals) in order to communicate information about the project and make refugee women aware of their own entrepreneurial potential.

**Germany:** *UNHCR* supports *MADE51*, an initiative that brings refugee-made craft products to *Ambiente*, the leading international consumer goods trade show. The collaboration helps to raise awareness of the entrepreneurial and craft talents of refugees, and links refugee artisans and craftspeople to international markets for their products.

☒ **Nepal:** The *HOST Initiative* has engaged in local events (e.g. twice-weekly town meetings) and established information points in each village in which they work to raise awareness of the project and recruit members to their initiative.

**Scotland:** The government-funded *Glasgow Business Gateway* has a dedicated business adviser who organizes regular informational sessions in community centres, halls and other local venues in order to raise awareness among refugees, migrants and ethnic minority groups about how they can start a business in Scotland and what support services are available to help them.

☒ **Switzerland:** *Capacity* is a start-up incubator for people with refugee and migrant backgrounds in Zurich. It works together with corporate partners like UBS and Citi as well as with partners from the start-up community and government to foster and raise awareness about refugee and migrant entrepreneurship.

☒ = See case studies in the Annex

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## 6.2 Connect migrant and refugee entrepreneurs with experienced mentors

Access to experienced mentors is a key factor in success for any entrepreneur. Mentors play a crucial role in providing advice and in facilitating connections with potential funders, partners, suppliers and customers. For migrants and refugees, mentoring can also provide insights into the local business culture and regulatory environment, as well as assist with overcoming language and cultural barriers. Diaspora mentors can further expand entrepreneurs' access to transnational partners and international markets, offering knowledge on the specific needs and regulatory requirements of businesses operating within particular country corridors. Numerous examples are provided in box 6.2 of initiatives focused on connecting migrants and refugee entrepreneurs with potential mentors such as experienced entrepreneurs and industry professionals; students and youth who are passionate about engaging with migrants and refugees and have knowledge of local business culture; and successful migrant and refugee entrepreneurs who have gone through similar experiences.

### Box 6.2. Programmes connecting migrant and refugee entrepreneurs with mentors

📌 **Argentina:** The *MIRARES* programme runs a mentorship scheme in which successful refugee entrepreneurs who have previously received support from MIRARES help to re-start the businesses of refugee entrepreneurs whose businesses have failed. So far, MIRARES has been able to re-start six businesses in this scheme.

**Australia:** The *Asylum Seeker Resource Centre's* three-stage Entrepreneurs Program offers participants a business mentor as they are developing their business idea in stage 2, and a dedicated coach in stage 3 of the programme, when they are in the process of launching and growing their business.

📌 **Australia:** The *Catalysr* programme provides migrant and refugee entrepreneurs with weekly mentoring from an entrepreneur-in-residence, while also establishing connections to industry mentors

📌 **Ecuador:** The *UNHCR Livelihoods programme* provides tailored mentoring support through connecting participants with either one general mentor, or two more specialized mentors; one to manage protection risks and another to focus specifically on building beneficiaries' livelihood/business skills.

**Europe:** The *EU's MEnt mentoring programme* intends to facilitate and foster the economic and social integration of migrants by supporting them in the development of new business initiatives, through light incubation and mentorship. The relationship with mentors is the core of the project, enabling the improvement of emerging business ideas through interaction with experts in the given business sector and national context.

**Europe:** Implemented by the Danish Refugee Council, the African Foundation for Development United Kingdom (AFFORD UK) and the Berghof Foundation, the *Diaspora Emergency Action and Coordination (DEMAC)* project supports the integration of diaspora organizations into conventional humanitarian systems. In working with the Syrian, Somali, Nigerian and Sierra Leonean diasporas based in Europe, the project has supported diaspora mentors in connecting with and supporting organizations in the country of origin involved in humanitarian relief. Mentors are often successful entrepreneurs in the countries of destination, and mentee organizations may also be small-scale enterprises in the country of origin. The results of the DEMAC project suggest that engagement of diaspora mentors can help bridge knowledge gaps between the private and public sectors in ways that support long-term development.

📌 **Germany:** The *Jumpp* programme uses mentoring as its main component, with experienced entrepreneurs acting as mentors for migrants and refugees over a nine-month period. Between 2017 and 2019 Jumpp will implement a Refugee Project for 20 female refugees, who will also be assigned mentors with backgrounds in business, education, science and politics.


📌 **Germany:** The *SINGA Business Lab* offers refugee and migrant participants biweekly mentorship sessions. Mentors are entrepreneurs themselves and are therefore well placed to offer participants practical advice and to help them find solutions for problems.

📌 = See case studies in the Annex

## Box 6.2. Programmes connecting migrant and refugee entrepreneurs with mentors (Concluded)

**Ireland:** The *Irish Executive Mentorship Programme*, which was launched as a collaboration between the Irish International Business Network and the Irish Network–New York, matches mid-to-late career executives and entrepreneurs with early- and mid-career professionals and entrepreneurs. Both mentors and protégés may come from among the widespread global Irish diaspora, including the so-called “affinity” diaspora that wants to establish or grow a business in or related to Ireland. The programme importantly demonstrates that harnessing the knowledge and capacities of the diaspora is appealing not only for developing countries but also for high-income countries interested in investing in entrepreneurship, especially in high-growth sectors.


**Israel:** *Microfy* staff and board members recruit professionals from diverse backgrounds who have experience in running their own business in Israel to provide mentorship to participants from disadvantaged communities (including refugees) who have already completed the *Microfy* business training.

 **Japan:** The *ESPRESSO programme* engages consultants and accountants to provide technical assistance to refugee entrepreneurs and engages successful refugee entrepreneurs as role models.

**Kenya:** *AAHI* (the lead implementing partner of the *UNHCR's Livelihoods programme*) conducts socioeconomic profiling of new arrivals at the refugee reception centre. When *AAHI* identifies that a refugee has skills to support their own livelihood, the refugee is referred to a successful entrepreneur for mentorship.

**Netherlands:** *Refugees Forward* links Dutch students with refugee entrepreneurs to enhance their business ideas in hackathon weekends and in their longer-term incubation programme.

**Norway:** As part of an initiative to build the employment profiles of recently accepted refugees, *IOM Norway* has created a mentorship programme (Professional Accelerated Introduction to Jobs and Entrepreneurship) through which refugees' skills and certifications are reviewed and refugees matched according to their competency profiles with mentors from companies. The mentors can then act as professional references for the refugees as they apply for jobs. Refugees without formal education may be placed in an “entrepreneurship track”, which emphasizes the skills needed for self-employment.

 **Switzerland:** *Capacity* has partnered with Citi Bank, which advertises *Capacity's* start-up programme for people with refugee or migrant backgrounds internally, in order to recruit Citi staff as mentors and coaches for the programme participants.

 = See case studies in the Annex

## 6.3 Create and support networking opportunities for migrant and refugee entrepreneurs


Beyond individual mentoring, creating broader networking such as pitching events, mentoring events, trade fairs and dialogues among private sector leaders and government representatives can help migrant and refugee entrepreneurs to become part of local and transnational entrepreneurship networks. Supporting the inclusion of these entrepreneurs into business associations and organizations with both local and global dimensions, such as transnational business associations and trade councils (e.g. the East Africa Diaspora Business Council, the African Trade Business Centre), is another important component in expanding the networks such entrepreneurs have access to. Creating networking opportunities is especially important for refugee entrepreneurs who may lack the established co-ethnic networks from which many other migrant entrepreneurs benefit. A study on migrant entrepreneurship for the European Commission found good practice to be about connecting migrant businesses both with mainstream business associations and with transnational networks of migrant entrepreneurs.<sup>73</sup>

Box 6.3 illustrates how networking opportunities are a key element of many current migrant and refugee entrepreneurship initiatives. Multiple avenues are being established to connect migrant and refugee entrepreneurs with the broader entrepreneurship ecosystem, including pitching events, showcase nights, cultural events and hackathons. Beyond individual programmes, some organizations are developing platforms to encourage broader networking opportunities at the national and transnational levels.

### Box 6.3. Programmes creating networking opportunities for migrant and refugee entrepreneurs


**Australia:** *Startts* connects refugees and other migrants who have viable business ideas with other aspiring entrepreneurs and local experts who can help to build a supportive team to develop the business plan.

**Australia:** Participants in the *YGAP First Gen accelerator programme* for migrant and refugee entrepreneurs have the opportunity at the end of the three-month program to pitch their business ideas to impact investors, philanthropists, entrepreneurs and industry leaders.


 **Australia:** The *Catalysr* programmes runs monthly fireside chats with experienced founders, monthly social events and after-hour co-working sessions, as well as hosting a showcase night that provides an opportunity for migrant entrepreneurs to network with key stakeholders such as mentors, investors, corporates, and local and federal government representatives.

**Denmark:** *Refugee Entrepreneurs Denmark* organizes networking events and workshops to introduce refugee entrepreneurs to potentially collaborators and sources of business help.


**Europe:** Across seven provinces of Italy, Germany, Greece, Spain and Sweden, the *EntryWay* project will provide participating migrant entrepreneurs with networking opportunities through in-class and online exchanges and business-to-business workshops.

 **Finland:** The *Start-up Refugees* programmes are using data on the skills, goals and entrepreneurial aspirations of refugee entrepreneurs in the country to build a web portal called “Match Made in Start-up”, which will provide a platform to match refugees with Finnish businesses and investors and facilitate the interaction of refugees and Finnish citizens through, for example, cultural events and workshops.

**Germany:** *Entrepreneurs without Borders* creates opportunities for migrants to network and exchange with relevant actors in the local ecosystem, such as chambers of commerce, companies, public institutions, local authorities and other institutions, through specific networking events, trade conferences, discussions and cultural meetings.

 **Greece:** The *Changemakers Lab* accelerator programme drives networking and collaboration between students, refugees, volunteers and other stakeholders to test, implement and accelerate ideas for tech-enabled businesses. The programme also runs the *Changemakers Summit*, a networking event for refugee entrepreneurs with representatives from government, universities, NGOs and research centres, as well as entrepreneurs and investors.

 **Liberia:** The *Business Start-up Centre (BSC) Monrovia* runs a business incubation event in cooperation with the International Finance Corporation, the Liberian Ministry of Commerce and Industry and SPARK at which participants pitch their business ideas and compete for access to seed funding. Through a partnership with LADA, 10 of the BSC entrepreneurs have received seed funding of about US\$5,000 each, and the majority of BSC entrepreneurs who participated in their “Business in a Box” programme have received business loans.

 **Rwanda:** The *Inkomoko programme* provides refugee entrepreneurs with opportunities to network with host-community business owners.

**Switzerland:** At the end of the one-year *Crescenda course for entrepreneurship* for foreign-born women, *Crescenda* organizes an annual celebration evening at which each participant has the opportunity to present her business project to the approximately 200 invited guests.

**Ukraine:** The *IOM* has established a *National Business Exchange Platform* to encourage and facilitate networking between IDPs and host community members. The platform offers registered users business contacts, opportunities and educational materials, designed to aid business development, stimulate job creation and strengthen the business environment.

 = See case studies in the Annex

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## 6.4 Support migrant and refugee entrepreneurs in connecting with diaspora networks and networks in countries of origin

Diasporic networks and networks in countries of origin provide other valuable networking opportunities for migrant and refugee entrepreneurs. Academic studies have highlighted the importance of national or transnational diasporic networks in providing migrant and refugee entrepreneurs with information, financial resources and access to potential markets.<sup>74</sup> Digitally supported diasporic networks can be helpful but cannot replace local community networks for help with the day-to-day practicalities of entrepreneurship. Despite the support that diasporic networks can provide, migrants and refugees still need local networks to assist in navigating the host country's institutional and regulatory environment for businesses.<sup>75</sup>

Many initiatives embed connections to networks in countries of origin and the diaspora in their programmes. The Indus Entrepreneurs (TIE) is one such example: this organization, which was created by diaspora professionals from the Indus region living in Silicon Valley, was established to provide mentoring, networking, education, funding and incubation to enterprises throughout the business life cycle. Within the TIE model, migrants and refugees are simultaneously mentors and advisers as well as potential beneficiaries, highlighting the power of diaspora networks in supporting business creation and growth. The Diaspora Finance Initiative run by the African Foundation for Development (AFFORD) in the United Kingdom provides another good example of the role of diaspora investment in support migrant and refugee entrepreneurship. Box 6.4a provides a detailed overview of the AFFORD initiative.

Beyond the work of AFFORD, various other migrant and refugee entrepreneurship initiatives are engaging diasporic networks in their programmes. Box 6.4b illustrates various initiatives working to connect migrants and refugee entrepreneurs with diaspora networks.

### Box 6.4a. Diaspora Finance Initiative of AFFORD

Founded in 1994, the African Foundation for Development (AFFORD) is a non-profit organization based in the United Kingdom with a mission to encourage investments from African diaspora groups and support the creation of sustainable jobs in Africa. Its main activities include the Diaspora Finance Initiative, AFFORD Diaspora Grants and the AFFORD Business Club.

Run by AFFORD, the Diaspora Finance Initiative is co-funded by Comic Relief and UK Aid through the Common Ground Initiative. The initiative aims to stimulate diaspora investment to create jobs and enhance Africa's social economy. It supports African diaspora entrepreneurs by helping them address challenges such as difficult access to capital and the high cost of borrowing, limited market information and limited support for international investment. It focuses on encouraging diaspora investments from the UK to support SMEs and enhancing transnational networks that facilitate the social impact of diaspora investments in four target countries – Nigeria, Rwanda, Sierra Leone and Zimbabwe. Together with the IOM and the World Bank, AFFORD is now collaborating in a similar project involving the Syrian International Business Association as a counterpart.

The initiative has generated considerable impact. It has mobilized and channelled funds to support the development of the social economy and created decent jobs through increased and diversified diaspora investments in SMEs. The AFFORD Diaspora Grants have provided funds to enable diaspora organizations, businesses and their African partners to unleash an entrepreneurial spirit that has contributed to the establishment of an ecosystem of social enterprises. For example, the latest grants for Ethiopia provided a maximum of £25,000 for projects dedicated to problem-solving and developing innovative and sustainable social change. In addition, "Diaspora Enterprise Accelerator", a business plan competition, granted £30,000 to British diaspora businesses to invest in innovative social enterprises in Africa. The initiative has also helped improve understanding of diaspora finance and investment practices and fostered policy actions that optimize the volume of remittances through transaction-cost reduction and match-fund schemes.

Source: AFFORD-UK.

### Box 6.4b. Programmes engaging diaspora networks

**Belgium:** The IOM's MEDMA project (*"Mobilisation des Marocains résidant en Belgique pour le développement du Maroc"*), was a three-year pilot project which supported a group of selected Moroccans living in Belgium in establishing businesses in Morocco. The programme delivered a mix training, technical assistance and financial support.

☒ **El Salvador:** The ADEL Morazán's Youth Entrepreneurs Program involves diaspora communities to exchange business knowledge and provide export opportunities, as well as a potential source of investment.

**Global:** IDIASPORA is a web platform designed as a networking and knowledge hub to allow connections, exchange and learning between diaspora groups around the world.

☒ **Italy:** The MigraVenture programme is supporting migrants of African origin residing in Italy in starting or growing businesses in their countries of origin. MigraVenture relies on partners to provide technical assistance and monitoring of the businesses. Technical assistance is delivered in the country of the businesses' operation (e.g. a branch of ETIMOS in Senegal provides local technical support, coaching and monitoring of the businesses in Senegal, where many of the participants come from), as well as in other countries where the entrepreneur is currently implementing business.

☒ **Italy:** The Bureau d'Appui aux Sénégalais de l'Extérieur (BASE) in Milan aims to support Senegalese diaspora members in Italy who are interested in investing in Senegal. BASE acts as a bridge between aspiring Senegalese entrepreneurs and relevant agencies related to the Senegalese Ministry of Foreign Affairs. BASE was set up by IOM Italy in partnership with the Global Mechanism of the UNCCD and in coordination with the City of Milan and the Senegalese Embassy in Italy. The office has three Italian and Senegalese experts who provide informative meetings with interested beneficiaries, technical assistance for the development or improvement of business plans and information tours in Italy in order to raise awareness of the services offered by the BASE office.

**Kosovo<sup>76</sup>:** The *Diaspora Engagement in Economic Development* project aimed to (i) build the confidence of Kosovar diaspora members to invest in Kosovo<sup>76</sup>; (ii) encourage remittance-receiving households in Kosovo<sup>76</sup> to invest remittances in enterprise activities; and (iii) help local producers in Kosovo<sup>76</sup> to access export markets through the diaspora.

☒ **Netherlands:** The *Migrant Entrepreneurship Programme (MEP)* supports diaspora members living in the Netherlands who have ambitions to start a business in their countries of origin. Specifically, the initiative supports beneficiaries in setting up a business in their country of origin as well as business owners in the Netherlands who want to start a franchise or sister business in the country of origin.


**Nigeria and Global:** The *Nigerians in Diaspora Organizations Europe*, part of a global Nigerian diaspora network, provides a platform for members of Nigerian diaspora organizations, community organizations and corporate bodies based in Europe to communicate, share resources and collaborate to support developmental efforts in Nigeria. Many of the participating organizations are professional organizations for members of the diaspora working in specific sectors (e.g. engineering), and the platform can support both diaspora entrepreneurs and entrepreneurs in Nigeria to connect with the knowledge and skills in the diaspora to help them establish or grow their businesses.

☒ = See case studies in the Annex

### Encouraging nostalgia trade and cultural heritage goods from countries of origin

The cases illustrate that products, services and technologies from countries of origin represent an opportunity for migrant and refugee entrepreneurs to build their own businesses while supporting greater trade ties between and among countries of origin and destination. As the examples in box 6.4c illustrate, the trade of traditional or "nostalgia" and cultural heritage goods can create new markets in other countries. Diaspora engagement in export-focused industries in countries of origin can support expansion of these sectors, increase trade flows between countries of origin and destination, and thereby promote economic growth in countries of both origin and destination. To harness these opportunities, as shown by the emergence of initiatives such as those included in the box, specific support might be needed to help adapt products, services and technologies for international markets; to build links between markets in countries of origin and host countries; and to build capacity among diaspora members to enable productive investments and entrepreneurship in countries of origin and destination.


### Box 6.4c. Programmes supporting the adaptation of products, services and technologies from home countries


 **Burkina Faso:** As part of the *Design for Peace* programme, Malian refugee artisans worked with French designers to develop product prototypes that adapted traditional Malian craft techniques for high-end international markets.

**El Salvador:** The IOM program, “*Establishing Youth-Led Enterprises at the local level with the support of the diaspora*” (2014–2015), was developed as part of the JMDI framework. The project focused on providing the technical and financial support that young aspiring migrants may need to start, sustain and expand a small business in their communities of origin. The project focused on connecting entrepreneurs to supply chain partners.

 **Italy:** The IOM and the *ETIMOS Foundation* launched the *MigraVenture* programme, implemented with the support of the Ministry of Foreign Affairs and International Cooperation. The programme aims to support migrants of African origin residing in Italy in starting or growing businesses in their countries of origin, to promote circulation of the resources and skills gained through migration and to support sustainable development. Towards this aim, the *MigraVenture* model provides group and individual training (e.g. on business development, access to credit and capital tools, identification and use of marketing tools, risks and opportunities in the African market) designed to support the development of viable business plans. Approved business plans get access to a pilot capitalization fund which provides equity investment. Once the participants’ businesses are started, they receive technical assistance for the start-up phase of their development. Technical assistance is delivered in the country of the businesses’ operation (e.g. a branch of *ETIMOS* in Senegal provides local technical support and monitoring of the businesses in Senegal, where many of the participants come from). In the first 18 months of the program’s implementation, *MigraVenture* has received 105 business proposals, selected 41 business ideas for training, provided individual coaching for 33 business ideas and approved 10 business ideas for microcapital funding.

**Kosovo<sup>77</sup>:** USAID’s *EMPOWER Private Sector* project in Kosovo<sup>77</sup> supports the integration of Kosovo<sup>77</sup>-based businesses and products into international markets. The Albanian Diaspora Business Network is a partner in this project and focuses on connecting Kosovo<sup>77</sup>-based businesses to diaspora businesses and export facilitation, including in traditionally competitive sectors such as wood and metal processing.

 **Rwanda:** *Indego Africa* designs products in New York that can be made by hand by trained refugee women in Rwanda and then sold on international markets.

 **Syrian Arab Republic:** The founder of the *I Love Syria* project, Rania Kinge, had to design product prototypes that would appeal to international customers, but that would also be possible for the trained Syrian women to produce in the Syrian Arab Republic with very limited resources and under difficult conditions, such as without electricity.

 = See case studies in the Annex

## 6.5 Actively shift the stigma faced by migrants and refugees

Many migrants and refugees face stigma in their communities of residence related to perceptions that they are a burden on the welfare system. To challenge this stigma, many initiatives aim to celebrate successful migrant and refugee entrepreneurs as role models, highlighting their contributions to job creation, diversity and innovation. Through hosting events that showcase such entrepreneurs and generating media coverage in mainstream outlets, these initiatives are assisting in shifting the stigma by highlighting the role of migrant and refugee entrepreneurs as job creators. Presenting these entrepreneurs as role models also serves the purpose of inspiring other migrants and refugees experiencing unemployment or underemployment to consider entrepreneurship as an avenue to employment. Box 6.5 highlights example of initiatives focused on actively shifting the stigma facing migrants and refugees through cultural events, pitch nights, media articles and online platforms. These efforts can be further supported by investing in research to understand and report the contributions of migrant and refugee entrepreneurs to economic growth, job creation, diversity and innovation and by providing information to stakeholders in the entrepreneurship ecosystem on migrants and refugee rights to work and start a business.



### Box 6.5. Initiatives focused on actively shifting the stigma facing migrants and refugees

**Global:** The *UN's Together campaign* brings together member States, civil society and private sector actors to build a strong and persuasive narrative of solidarity that combats negative societal perceptions of migrants and refugees and strengthens the social contract between host societies and refugees and migrants.

**Global:** As part of the *UN's Together campaign*, the *'i am a migrant'* web platform allows migrants to share personal testimonials as a way of communicating the human stories of migration and fostering mutual understanding, respect, and support for diversity.

📌 **Argentina:** *MIRARES* runs a programme to strengthen the entrepreneurship capacities of refugees in Buenos Aires to achieve their socioeconomic integration. As part of a range of activities, *MIRARES* organizes cultural events designed to promote diversity, raise awareness of refugee and migrant entrepreneurship, and raise the profiles of refugee and migrant entrepreneurs.

**Australia:** *Free to Feed* is a social enterprise promoting the culinary traditions of refugees and new migrants. In addition to offering a food business accelerator, the enterprise also organizes cooking classes, home experiences and team-building workshops led by new migrant and refugee chefs, in order to share and champion the unique skills and contributions of refugees, asylum seekers and new migrants in the country.

📌 **Australia:** The *Catalysr* programme for migrant entrepreneurs organizes a showcase night for each cohort, to celebrate their achievements and to allow graduates to network with key stakeholders such as mentors, investors, corporates, and local and federal government. The *Catalysr* programme is also seeking to demonstrate the contributions that their "migrapraneurs" have made across Australia and have received media attention on various occasions in national media outlets.

**Europe:** A 2016–2017 *Council of Europe* pilot project, *"Diversity connectors for Start-ups"*, sought to create shared benefits for entrepreneurs from both mainstream and under-represented groups, by reconfiguring business incubators as sites of connection and co-working between entrepreneurs from different backgrounds, and by providing a mix of general and specific support services.

**France:** *Singa* works to make local host communities aware of refugee and migrant issues, and to showcase refugees' entrepreneurial and professional talents.

📌 **Germany:** The *Jump project* is working to make female entrepreneurs with a migrant or refugee background visible as role models to the public by placing successful female entrepreneurs at the forefront of their activities, communicating their success as entrepreneurs and role models through the media as well as at project events.

📌 **Switzerland:** As part of its seven-month start-up programme, *Capacity* organizes public events at which participating entrepreneurs have their own posters to promote their businesses and can connect informally with other attendees. In 2018, the organization is aligning the showcasing event with World Refugee Day, in order to link its work into the global narrative supporting refugees.

**United Kingdom:** The *Metropolitan Migration Foundation* and the *Young Foundation's Community-Level Investment in Migrant Businesses (CLIMB)* programme offers the winning migrant businesses with high growth potential the opportunity to showcase their work in a pop-up shop.

📌 = See case studies in the Annex



# **PART 3.**

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# 1. CASE STUDY INSIGHTS FOR PRACTITIONERS

As part of the empirical basis for this guide, a research team at UNCTAD prepared 35 in-depth case studies of programmes that support entrepreneurial activity by refugees and migrants. The Annex provides detailed insights on each case.

The case studies reflect the broad geographic spread of initiatives designed to promote entrepreneurship among migrants and refugees. They were developed in the context of a wide range of both developed and developing economies, spanning Africa, Asia, the Middle East, Latin and Central America, Europe, Oceania and North America. The selection of case studies is also indicative of the diverse constellations of partners involved in the implementation of such efforts. Intergovernmental organizations, in particular UNHCR and IOM, play a leading role in many of these initiatives, but there are also a range of international and local NGOs, migrant and diaspora associations, local and central government agencies, social enterprises, and private sector actors (particularly financial institutions) that take the initiative to successfully develop and deliver the interventions.

Data were collected on each of the cases through semi-structured, in-depth interviews with staff of each programme and documentary analysis of reports and websites related to each programme. The insights from each case were organized into a template that detailed the programme characteristics, challenges, success factors, impact indicators and success stories. All the cases provide clear evidence of the positive impact of developing entrepreneurial skills among migrants and refugees. They identify success stories, lessons learned and criteria for replicability. This section provides an overview of the key findings structured along common programme characteristics, challenges and success factors.



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## 1.1 Common programme characteristics

### Supporting socioeconomic integration of refugees and migrants through entrepreneurship

Broadly speaking, these programmes share a common goal to support the socioeconomic integration of refugees and migrants into their host societies by fostering entrepreneurship as a route to economic self-reliance and social integration. In many cases, the programmes focus uniquely on supporting entrepreneurship as a path to economic security; in other cases, both self-employment and wage employment are considered the desired outcomes of intervention activities. Some programmes aim to help refugees and migrants build on their existing skills and expertise to develop successful enterprises, whereas others are designed to teach participants new practical skills (such as handicrafts, carpentry, hairdressing, agriculture, coding) that they can use to generate income. Some programmes focus on supporting individual businesses, whereas others provide participants with a cooperative model through which they can collectively grow a business. In addition to promoting business creation and growth, the initiatives reviewed in this guide often specify a range of other associated economic and social objectives, such as local economic development, job creation, financial inclusion, social integration and cohesion, and the promotion of positive perceptions of migrant and refugee entrepreneurs as a way of tackling stigma and prejudice.

### Target beneficiaries

The beneficiaries targeted by these programmes vary according to the initiatives' priorities. In general, the groups targeted are migrants and refugees; in some cases, particularly vulnerable subgroups such as women, youth or people with disabilities are targeted. Additional eligibility criteria are sometimes applied, for instance, to select refugees and migrants with specific skills, or those who already have a business idea or microenterprise that they wish to develop. Programme support is most often directed towards individuals, but some programmes target households as the primary economic actor. Depending on the local context, interventions can target refugees in camp settings or other settings and are sometimes delivered to both. In addition to migrants and refugees, some programmes also include members of hosting communities as participants in their activities, in order to foster inclusive development and social cohesion.

### Program design

In terms of the activities designed to achieve programme objectives, a variety of approaches and methods are used, and the duration of support offered to programme participants ranges from a few weeks to years. The vast majority of programmes have an educational component at their core. Learning may take place through, for instance, group classes, workshops and lectures, or through more informal individual advice, consultations or mentorship sessions. The content covered in these sessions varies significantly, but often provides a mix of "hard" and "soft" skills. Many programmes also aim to help provide participants with the financial capital they require to start or grow their business activities, either by providing or facilitating access to finance, or by providing equipment and materials in-kind. Also common to many programmes is the organization of networking opportunities and the creation of platforms to facilitate participants' access to business networks and markets, in order to help them integrate into local value chains and business ecosystems.

## 1.2 Common challenges and success factors

Analysis of the range of types of programmes designed to support entrepreneurship among migrants and refugees highlights a number of challenges commonly faced by implementing organizations, as well as critical success factors and potential solutions that may help to overcome these challenges.

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## Funding constraints

Unsurprisingly, funding constraints pose significant difficulties for many of the initiatives reviewed in this guide. Securing sufficient funding for programme activities is a major challenge. This is also linked to the capacity of programmes to attract qualified staff and to offer them stable employment opportunities in the medium or long term. Many programmes rely on public or philanthropic funding, which often requires organizations to devote substantial resources to obtaining and maintaining donor support. The insecurity of such funding also presents a risk to programme sustainability and the achievement of longer-term impacts. Faced with this insecurity, and the need to become more self-sustaining, some programmes are therefore considering alternative funding and business models.

## Partnerships and networks

Partnerships and networks, with both public and private sector organizations, are highlighted as crucial to the success of initiatives' funding and business models, both in the past and moving forward. Good relations with donors and sponsors have in many cases been critical for programme financing. Banks and other financial institutions often collaborate to help programme participants access start-up and business development capital. Other local organizations, universities and schools have in many cases assisted programme implementation through the provision of technical training and expertise, as well as complementary support services. Building these partnerships and networks has been facilitated by the use of communication tools. Good publicity, in the traditional media or through new digital platforms, has enhanced the visibility and credibility of some programmes among stakeholders, and has made it easier to attract the support of private sector partners.

Good relations with local organizations and stakeholders have also been important for tackling barriers related to facilities, logistics and security. The often-large distances between refugee camps, the unstable security situation, the geographical dispersion of refugees and the lack of adequate workspace and infrastructure to host participants pose significant obstacles to programme implementation. Especially in conflict zones, these challenges can be difficult to overcome. Although funding may help to alleviate some of these constraints, some programmes have relied on partnerships and strong working relationships with local organizations and authorities who have been able to provide access to training facilities and working space, and to facilitate access to refugee camps in some cases where this has been difficult.

## Recruitment of participants

Again, collaborations with local organizations have also proved crucial in many cases for the recruitment of programme participants, which many initiatives cited as a major challenge. Implementing organizations commonly used online and social media informational campaigns to raise awareness of their programmes among potential beneficiaries, but in other contexts some implementers found it necessary to actively engage in local events or to establish local information points in order to promote their initiative and engage target groups. Across these different settings, many implementing organizations have relied on local NGOs to reach out to potential beneficiaries through their established networks.

It is worth noting that the recruitment, as well as the sustained engagement, of programme participants is often frustrated by the poverty and vulnerability that many programme beneficiaries face. Many refugees and migrants live in very demanding or precarious conditions: they are often in urgent need of income, may lack access to adequate housing, may be absorbed in the tasks of organizing daily life, caring for their family and dealing with trauma, or may be obliged to participate in integration courses and meet the requirements of authorities in host countries. Faced with these urgent demands on their time and emotional resources, beneficiaries may find it difficult to engage

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in or may be reluctant to invest in entrepreneurship activities, from which they may only reap the benefits in the longer term. Recognizing these challenges, some programmes have sought to find ways to accommodate and meet beneficiaries' broader needs (e.g. transport constraints and childcare responsibilities). One particular lesson highlighted by a few implementing organizations was that they found it necessary to provide meals to participants during training activities, as the lack of food was a key obstacle to participants' engagement. Strategic partnerships with other actors working locally have also helped to support beneficiaries' well-being and livelihoods. The provision of cash stipends, or ensuring access to welfare benefits, has been critical in some cases for meeting participants' basic needs and enabling households to adopt a more meaningful and sustainable livelihood strategy.

### **Entrepreneurial capabilities and mindset**

Notwithstanding these external constraints, many programmes have also been challenged by participants' lack of entrepreneurial mindset and capabilities. Refugees and migrants may not come from an entrepreneurial culture or family background, may have uncertainties on the duration of their stay in a certain country, and may therefore not see themselves as entrepreneurs. They may therefore be reluctant to invest income in business start-up and business development activities, especially where they have developed a dependency on donor assistance. Without an entrepreneurial mindset, participants may have insufficient motivation to sustain their engagement in entrepreneurial activities. Some programmes therefore screen applicants based on their motivations, capabilities and readiness, in order to ensure high participation rates and likelihood of entrepreneurial success.

Even where motivation is high, beneficiaries may lack the necessary knowledge or skills that would allow them to successfully participate in the programmes and to develop profitable businesses. A lack of proficiency in the language of the host society is perhaps the most salient barrier to business start-up, but participants are also often unfamiliar with the local culture, business environment and norms. Participants may also lack basic literacy and numeracy skills; one implementing organization highlighted that women, in particular, often require additional training in these areas because their schooling level is often lower than that of men.

The programmes reviewed in this guide highlight a range of strategies that may help to overcome challenges related to participants' entrepreneurial mindsets, knowledge and skills. In terms of programme content and approach, analysis of the case studies points to the fundamental importance of designing and delivering a programme with careful consideration for the particular needs of different groups of beneficiaries. Many implementing organizations conducted a needs assessment of their target group prior to designing their interventions, in order to tailor their approach to the local context and population. There is no one-size-fits-all solution to supporting refugee and migrant entrepreneurship, and programmes must therefore be designed to vary in accordance with beneficiaries' existing skills and knowledge, the maturity of their business idea or stage of business development. Mentorship and coaching are seen as effective ways to meet the particular needs of individual participants.

### **Expertise or expert programme staff**

In order to meet the specific knowledge gaps and skill needs of participants, as well as to gain their trust and confidence, programme staff must be equipped with the necessary expertise and skills themselves. Staff who share the language and culture of participants, and who have first-hand experience of migration themselves, may be better able to communicate with and gain the confidence of beneficiaries. Implementing organizations often find that they lack the specific technical expertise required to assist specific kinds of businesses or provide training on particular topics. Partnerships with other organizations can provide specific capabilities; in other cases, implementers rely on professionals who offer their skills and expertise on a pro-bono basis (e.g.

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trainers and mentors for programme participants). However, as several implementing organizations noted, relying on volunteers for day-to-day operations may pose risks to the quality of the programme implementation.

### **Intensive support**

It was also recognized in the case studies that aspiring refugee and migrant entrepreneurs require intensive support in order to help them succeed. Long-term and follow-up support, often delivered through individual consultations and mentoring, is therefore often critical for providing appropriately tailored assistance to participants as they encounter specific hurdles related to their business start-up and business growth. Some programmes are also more directly involved in the longer-term growth of the enterprises they support by placing purchase orders for the products made by programme participants, helping with quality control processes, and managing the marketing, sales, export and distribution of these goods.

### **Targeted business opportunities**

The case studies underscored that successful programmes are adapted not only to beneficiaries' skills and knowledge, but also to the specific business opportunities available in the local economy. In some cases, it was challenging to identify products or services with enough market demand to sustain a business. To solve this problem, implementing organizations have drawn on the insights of local businesses or government employment agencies, and have in many cases conducted full market analysis, in order to identify what kinds of products and services refugee and migrant entrepreneurs could provide without saturating local markets. Understanding the specificities of market demand was also emphasized as important: in some cases, implementing organizations prioritized the production of high-quality products with designs that would appeal to international markets; in other cases, programmes sought to meet local needs. Where goods and services are targeted at local consumers in refugee communities, it may be important to stimulate local demand and business growth by providing unconditional cash instead of in-kind assistance to refugees, in order to boost the circulation of cash in the local economy.

### **Overcoming legal and regulatory challenges**

Another very important contextual factor to take into account is the local legal and regulatory environment. Legal status poses challenges for many refugees and migrants and inhibits their socioeconomic integration. The lack of a visa, refugee status and/or residence or work permit may prohibit refugees and migrants from engaging in entrepreneurial activities because uncertainty regarding their status and legal rights may make it difficult for them to plan and invest in a business, and to access necessary start-up capital. Furthermore, it is often difficult for refugees and migrants to get formal recognition in their host country of the educational and work experience that they gained in their home country. Where processes for the formal recognition of qualifications exist, these can take too long. The successful implementation of some programmes has therefore been facilitated by the host country's liberal refugee protection environment (e.g. in Uganda, refugees have freedom of movement, the right to work and establish business, as well as access to social services and the allocation of land for agricultural production). Where enabling legal and regulatory frameworks do not exist, or do not work well in practice, it may be particularly important to engage central government in the development of more coherent legal and institutional frameworks. Organizations that have good relationships with local and central authorities are also able to leverage these contacts to help with the process of obtaining visa and residence permits for programme participants.



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## Monitoring and evaluation

Effective processes for monitoring and evaluation are crucial for programme effectiveness, sustainability and potential replication. Implementing organizations have pointed to the need to develop effective feedback mechanisms to allow implementers to understand and respond to beneficiary needs. In order to take appropriate action and improve programme processes and outcomes, successful programmes also rely on rigorous monitoring frameworks, adaptive management techniques and regular opportunities for implementing teams to meet to review challenges, difficulties and best practices.

Programmes set a range of indicators to measure progress and impact, in accordance with their objectives. Output indicators can measure the number of workshops and training sessions given, participation rates, the number of businesses plans created and/or approved, the number of businesses started, bank accounts opened and loans disbursed. In terms of outcomes, programmes often focus on employment rates, business survival rates, business sales and profits, loan repayments, and self-reported skills development, income and well-being. As yet there is little data on longer-term impacts such as local economic development, social cohesion and the reduction of stigma.

## Scaling and replicating

Many of the organizations implementing the case study interventions are actively involved in the actual or potential replication of their approaches, either through scaling up their own programmes or by facilitating replication by other organizations. For example, several implementing organizations have produced implementation guides to facilitate the replication of their programmes. When considering replicability, many programmes caution that great attention needs to be paid to the local contextual factors that have already been highlighted (such as the regulatory and legal environment, logistical requirements, the characteristics and skills of the target group and the potential market demand for specific goods and services), as well as to the capacity and capabilities of the implementing organization(s) (e.g. their ability to recruit and communicate effectively with participants, to deliver high-quality technical training and assistance, to adapt the programme content to the specific needs of different participants, and to offer longer-term and follow-up support). Many organizations also stressed that securing the buy-in of all local stakeholders is critical to ensuring programme sustainability.

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## 2. CONCLUDING REMARKS

The policy objectives and policy options presented throughout the guide aim to provide clear and practical insights for policymakers and practitioners on how to promote migrant and refugee entrepreneurship. The exemplars highlight how the challenges of migrant and refugee entrepreneurship can be overcome to realize the benefits of integration and inclusion, thereby strengthening the humanitarian-development nexus.

**Policymakers** at local, national and supranational levels can use the policy options in this guide to develop a coherent and comprehensive approach to promoting migrant and refugee entrepreneurship as part of strong and resilient local entrepreneurship communities. Policymakers have a leading role to play in levelling the playing field for migrant and refugee entrepreneurs by mitigating regulatory hurdles that hinder or prevent entrepreneurial activity. They can also explore multi-stakeholder initiatives focused on entrepreneurship education, innovation and technology exchange, access to finance and networking that strengthen the pillars of an inclusive entrepreneurship ecosystem.

**Practitioners** can use the insights throughout the guide, in particular those in section 10 and the Annex, to enhance their programmes by learning from other initiatives. They may also use the discussion of the benefits of migrant and refugee entrepreneurship to host countries (section 2) to support their advocacy work as they make the business case for migrant and refugee entrepreneurship.

The **international organizations** involved in developing the guide (UNCTAD, IOM and UNHCR) will use the insights to structure their technical assistance work around the world, with a focus on promoting migrant and refugee entrepreneurship. The guide will also support continued collaborative work between the three organizations.

Promoting entrepreneurship for migrants and refugees requires a **whole-of-society approach**. Developing migrant and refugee entrepreneurs and creating inclusive entrepreneurship ecosystems requires the engagement of a wide range of cross-sector stakeholders. In contexts where entrepreneurship support systems are already in place, it is important to not create parallel systems. UNCTAD, IOM and UNHCR therefore intend to play a facilitation and advocacy role in migrant and refugee entrepreneurship, by enabling and convening relevant stakeholders.

Future technical assistance work from UNCTAD, IOM and UNHCR focused on promoting migrant and refugee entrepreneurship is therefore likely to focus on developing multi-stakeholder initiatives with the following partners:

- **Private sector organizations**, including companies, chambers of commerce and entrepreneurship incubators, can assist in offering training and mentorship programmes and supporting linkages to local markets and global supply chains.
- **Financial service providers** such as microfinance institutions, banks, specialized development agencies and impact investors can facilitate access to finance for migrant and refugee entrepreneurs.
- **Development actors** can help bridge the humanitarian–development divide in response to the varied needs of migrants and refugees. Further, development actors have a vital role in the stimulation of local economic growth in host countries and are therefore key collaborators in facilitating migrant and refugee entrepreneurship.
- **NGOs** with specialized livelihoods and/or entrepreneurship expertise are often well placed to implement market-based migrant and refugee entrepreneurship initiatives, or to include them in existing services.
- **Government ministries** (such as ministries of labour, of work and migration, of social development) have an important role to play in including migrant and refugee entrepreneurs

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in national systems and policies to reduce the barriers and realize the positive impacts on hosting economies. Engagement with local governments can promote inclusive policies for education, non-discrimination, access to markets and productive assets, and innovation and entrepreneurship support, all of which can reduce the barriers faced by migrant and refugee entrepreneurs.

- **UN agencies** that have links to livelihood and/or entrepreneurship programmes (such as WFP, FAO, ILO, ITC and UNDP, with their respective mandates related to building resilience, promoting decent work and sustainable poverty alleviation) can help in mobilizing resources and unifying approaches towards promoting migrant and refugee entrepreneurship.
- **Academia and research institutions** can undertake research highlighting the potential and positive impacts of migrant and refugee entrepreneurship on the local economy, job creation, government revenue and innovation.

In some cases, when it is necessary, UNCTAD, IOM and UNHCR may play an implementing role to fill a gap in the entrepreneurship ecosystem. Implementation may be necessary in contexts where there is limited or no presence of development or specialized actors focused on entrepreneurship, or where the engagement of other stakeholders is not possible or still insufficient to meet the needs of migrant and refugee entrepreneurs. In such cases, implementation can make the case for other actors to get involved and can demonstrate best practice models to jointly collaborate on and hand over to other actors in the longer term.

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## NOTES

<sup>1</sup> IOM, 2015a

<sup>2</sup> Keynote Address, Overseas Development Institute (ODI), Ms. Louise Arbour, UN Special Representative of the Secretary-General for International Migration, London, 21 November 2017

<sup>3</sup> Data accessed on 1 August 2018 at [http://www.goc.gov.tr/icerik6/temporary-protection\\_915\\_1024\\_4748\\_icerik](http://www.goc.gov.tr/icerik6/temporary-protection_915_1024_4748_icerik)

<sup>4</sup> UNHCR, Jordan, fact sheet, February 2018, [https://reliefweb.int/sites/reliefweb.int/files/resources/FactSheetJordanFebruary2018-FINAL\\_0.pdf](https://reliefweb.int/sites/reliefweb.int/files/resources/FactSheetJordanFebruary2018-FINAL_0.pdf)

<sup>5</sup> IOM, 2018b; UNHCR, 2016

<sup>6</sup> OECD, 2010

<sup>7</sup> Centre for Entrepreneurs, 2014; Jones et al., 2014; Nutz, 2017

<sup>8</sup> United Nations, 2018

<sup>9</sup> See <https://www.iom.int/who-is-a-migrant>

<sup>10</sup> UNHCR, 2016

<sup>11</sup> IOM, 2011

<sup>12</sup> Guiding Principles on Internal Displacement, OCHA/UN, 1998

<sup>13</sup> IOM, 2011

<sup>14</sup> UNCTAD, 2012

<sup>15</sup> See box 3.2d

<sup>16</sup> Nathan & Lee, 2013; Lee, 2015; Ozgen et al., 2011; Hunt & Gauthier-Loiselle, 2010; Breschi et al., 2014

<sup>17</sup> Naudé et al., 2015; Centre for Entrepreneurs, 2014; OECD, 2010; Shinnar & Young, 2008; Constant & Zimmermann, 2006; Tolciu, 2011; Wauters & Lambrecht, 2006; Light, 1979; Basu, 1998; Guzy, 2006; Gold, 1992; Centre for Entrepreneurs, 2018; Marchand & Siegel, 2014; European Commission, 2016; Fong et al., 2007; Legrain, 2016; Rath & Swagermann, 2015

<sup>18</sup> OECD, 2010

<sup>19</sup> Centre for Entrepreneurs, 2014

<sup>20</sup> Desiderio, 2014; Centre for Entrepreneurs, 2018

<sup>21</sup> Desiderio, 2014; OECD, 2010; Marchand & Siegel, 2014

<sup>22</sup> Desiderio, 2014; Rath & Swagermann, 2015; Centre for Entrepreneurs, 2018; Marchand & Siegel, 2014; Rath & Eurofound, 2011; Jones et al., 2018

<sup>23</sup> Jones & Villares-Varela, 2018; Centre for Entrepreneurs, 2018; Rath & Eurofound, 2011

<sup>24</sup> International Finance Corporation, 2018

<sup>25</sup> Omata, 2012

<sup>26</sup> Nyamazana et al., 2017

<sup>27</sup> Saxenian, 2006; GIZ, 2014

<sup>28</sup> IOM, 2018b

<sup>29</sup> Centre for Entrepreneurs, 2018; European Commission, 2016; OECD, 2010; Guzy, 2006; Tolciu, 2011; Piperopoulos, 2010; Jones et al., 2014; Sepulveda et al., 2011; Wauters & Lambrecht, 2008

<sup>30</sup> Baycan-Levent & Nijkamp, 2009; Soydas & Aleti, 2015; Masurel & Nijkamp, 2004; Shinnar & Young, 2008; Wauters & Lambrecht, 2006; Fong et al., 2007; OECD, 2010; Guzy, 2006

<sup>31</sup> Baycan-Levent & Nijkamp, 2009; Soydas & Aleti, 2015; Masurel & Nijkamp, 2004; Shinnar & Young, 2008; Wauters & Lambrecht, 2006; Fong et al., 2007; Wauters & Lambrecht, 2008; Jones et al., 2014

<sup>32</sup> See also IOM's Progressive Resolutions of Displacement Situations at [https://www.iom.int/sites/default/files/our\\_work/DOE/humanitarian\\_emergencies/PRDS/PRDS-Framework-Flyer.pdf](https://www.iom.int/sites/default/files/our_work/DOE/humanitarian_emergencies/PRDS/PRDS-Framework-Flyer.pdf)

<sup>33</sup> OECD, 2010

<sup>34</sup> Fong et al., 2007; Lyon et al., 2007; Grey et al., 2004; Institute of Directors, 2016

<sup>35</sup> Nutz, 2017

<sup>36</sup> Gold, 1988; Wauters & Lambrecht, 2006; Wauters & Lambrecht, 2008; Guzy, 2006

<sup>37</sup> Fong et al., 2007; Lyon et al., 2007; Grey et al., 2004; Institute of Directors, 2016; Wauters & Lambrecht, 2008; Halpern, 2008; European Commission, 2016; Guzy, 2006

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- <sup>38</sup> McKenzie & Woodruff, 2013
- <sup>39</sup> Fong et al., 2007; Grey et al., 2004; Halpern, 2008; Jones et al., 2014; Johnson, 2000; Lyon et al., 2007; OECD, 2010
- <sup>40</sup> Jones et al., 2014; Lyon et al., 2007; Fong et al., 2007; Gold, 1992; Nutz, 2017
- <sup>41</sup> OECD, 2018a; OECD 2018b; OECD & UNHCR, forthcoming
- <sup>42</sup> See <https://www.amsterdam.nl/ondernemen/zzp/eigenwerk/>
- <sup>43</sup> IOM, forthcoming
- <sup>44</sup> See [www.ilo.org](http://www.ilo.org)
- <sup>45</sup> See <https://refugeemigrants.un.org/migration-compact>
- <sup>46</sup> Available at <https://www.un.org/sustainabledevelopment/blog/2016/10/newurbanagenda/>
- <sup>47</sup> Available at <http://www.oecd.org/dev/migration-development/knomad-dashboard.htm>
- <sup>48</sup> Available at <https://publications.iom.int/books/white-paper-mainstreaming-migration-local-development-planning-and-beyond>
- <sup>49</sup> Available at <http://www.migration4development.org/en/resources/library/guidelines-mainstreaming-migration-local-development-planning>
- <sup>50</sup> Centre for Entrepreneurs, 2018; Guzy, 2006
- <sup>51</sup> Institute of Directors, 2016
- <sup>52</sup> Rath & Eurofound, 2011
- <sup>53</sup> Crush et al., 2015; Desiderio, 2014; Guzy, 2006; Nutz, 2017; Wauters & Lambrecht, 2006; Wauters & Lambrecht, 2008
- <sup>54</sup> European Union, 2016
- <sup>55</sup> European Union, 2016; Guzy, 2006
- <sup>56</sup> See also World Humanitarian Summit Outcome, Grand Bargain – A Shared Commitment to Better Serve People in Need. Available at <https://consultations.worldhumanitariansummit.org>
- <sup>57</sup> European Commission, 2016
- <sup>58</sup> Desiderio, 2014
- <sup>59</sup> European Union, 2016
- <sup>60</sup> Gold, 1992; Jones et al., 2014; Sepulveda et al., 2011; Lyon et al., 2007; Wauters & Lambrecht, 2006; Wauters & Lambrecht, 2008
- <sup>61</sup> OECD & EU, 2014
- <sup>62</sup> Centre for Entrepreneurs, 2018
- <sup>63</sup> Terrazas, 2010
- <sup>64</sup> Kerr & Brownell, 2013
- <sup>65</sup> References to Kosovo shall be understood to be in the context of United Nations Security Council resolution 1244 (1999).
- <sup>66</sup> Fong et al., 2007; Sepulveda et al., 2011; Lyon et al., 2007; Wauters & Lambrecht, 2008
- <sup>67</sup> Irwin & Scott, 2010
- <sup>68</sup> European Commission, 2016; Rath & Eurofound, 2011
- <sup>69</sup> See note no. 65
- <sup>70</sup> Ibid
- <sup>71</sup> Gold, 1992
- <sup>72</sup> European Union, 2016; Institute of Directors, 2016; Marchand & Siegel, 2014; Rath & Eurofound, 2011
- <sup>73</sup> European Union, 2016; Triodos Facet, 2008
- <sup>74</sup> Lyon et al., 2007; Williams, 2006
- <sup>75</sup> Fong et al., 2007; Lyon et al., 2007; Jones et al., 2014
- <sup>76</sup> See note no. 65
- <sup>77</sup> Ibid

# **ANNEX: CASE STUDIES**

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## ANNEX – CASE STUDIES

### Africa

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## Case study No. 1 – Design for Peace, Burkina Faso

### Success story



**Bintou, a 40-year-old mother of four who took part in the workshops in Ouagadougou in May 2016, says**

“I am eager to further improve my technical and entrepreneurial skills so that my products can be exported to international markets. When I left Mali, the only personal belongings I brought with me were my practical knowledge and my hands. I want to make the most of this luggage.”

### 1. Basic information

**1.1 Initiative** Design for Peace

**1.2 Country and locality** Burkina Faso, Sahel Region

**1.3 Time of implementation** June 2015–present

**1.4 Implementing organization(s)**

UNHCR-Burkina Faso (until December 2018)

Afrika Tiss (Paris-based social enterprise working with local artisans in West Africa to develop a responsible handmade-textile sector)

**1.5 Nature of the implementing organization(s)**

International organization; social enterprise

### 2. Description

#### 2.1 Objectives

- To help Malian refugee artisans achieve self-reliance
- To promote the social and economic integration of Malian refugee artisans in host communities
- To improve Malian refugees' traditional artisanal skills, in collaboration with French designers

#### 2.2 Target groups

The programme works with Tuareg refugees, a community of herders who have fled from Mali. Members of this community create high-quality products but struggle to sell their products locally and to invest in high-quality raw materials.<sup>1</sup> Some of these artisans live in the capital city of Ouagadougou. Others live in the Goudebou and Mentaou refugee camps in the Sahel region. Afrika Tiss will train a maximum of 200 refugee artisans as part of the Design for Peace programme. The selection of refugee artisans respects a 50:50 gender balance ratio.

#### 2.3 Approaches and activities

Afrika Tiss partners with UNHCR to implement the Design for Peace project as part of the UNHCR refugee artisan programme. Afrika Tiss provides refugee artisans with training in technical and entrepreneurial skills to enable them to create products which appeal to international markets, as well as to facilitate their integration into local value chains.

The project has been implemented in three phases: (1) product innovation by some 20 refugee artisans and French designers (for six months in 2015–2016); (2) capacity-building of 60 refugee artisans (2016–2017) to strengthen the production of the prototypes developed in the first stage; and (3) the development of a social programme to generate incomes for 200 refugee artisans (2017–2018).

In the first phase, Afrika Tiss selected 17 refugee artisans and organized seven-week workshops (in March–April 2016), in which the selected refugee artisans worked with six French designers to improve their skills in product design and production techniques. The trainees also received entrepreneurial and commercial skills coaching on quality control, inventory management, pricing and how to manage local sales. In the second phase, an international

consultant (hired by Afrika Tiss) trained a first group of 10–15 trained artisans to pass on the techniques and standards they had learned to 60 other refugee artisans. In the third phase, which is yet to be implemented, the train-the-trainer programme will continue to build teaching capacity in the two refugee camps, and more workshops will be organized to increase the number of newly trained refugee artisans.

Due to security concerns about the refugee camps and limited access to raw materials, all the training activities organized in the first and second phases (2015–2017) took place in the capital city, where accommodation for trainee artisans was provided by Afrika Tiss. Most of the training workshops for new artisans in the third phase will take place inside the refugee camps. In the Goudebou refugee camp, a tannery has been built by UNHCR for training refugee artisans to create leather and metalwork products.<sup>2</sup>

Afrika Tiss manages customer communications, coordinates purchase orders, arranges logistics and controls the quality of products.<sup>3</sup> All orders and payments from Afrika Tiss to respective artisans go through three artisan associations (one in Ouagadougou and one each in the Goudebou and Manteo camps), which were formed by the project beneficiaries with the assistance of UNHCR.

#### 2.4 Institutional setting

UNHCR implements this refugee artisan programme, targeting 1,000 Tuareg refugees, under the Livelihoods framework with its 2016–2017 Livelihoods partner, IEDA Relief (a US NGO).

Afrika Tiss is one of a number of design partners identified by the UNHCR to carry out some of the specialist and technical aspects of the artisan programme (i.e. building artisanal capacity, developing new products, branding, marketing of products, quality control and sales), while UNHCR facilitates access to the refugee artisan community and offers seed funding.

Since a commercial entity is not eligible to become a UNHCR implementing partner in the field, UNHCR has put Afrika Tiss under the management of IEDA Relief and formalized a collaboration agreement with Afrika Tiss through IEDA Relief.

#### 2.5 Funding arrangements

The UNHCR refugee artisan programme has been funded by the IKEA Foundation, the EU and others. Afrika Tiss receives about \$30,000 a year from UNHCR through IEDA Relief, until December 2018.

In 2016, Afrika Tiss secured additional donor funding from the Government of Denmark (\$15,000) and through a crowdfunding platform (over €16,000). Further donor support is required to implement the last stage of this project.

#### 2.6 Impact and results

- The “Transhumance” collection, composed of 15 objects in leather, wood, metal and vegetable fibres,<sup>4</sup> was launched in the summer of 2016.
- Some 50 artisans produced export-ready items for mid- to high-end luxury markets in Denmark, Japan, Norway, Switzerland and the United States.<sup>5</sup>
- Some trained artisans have started putting up their stands in the main craft centre in the capital city.<sup>6</sup>

### 3. Analysis and discussion

#### 3.1 Success factors and challenges

The programme's success relies on two key factors:

- The use of professional marketing materials, direct buyer contacts and participation in international trade fairs
- Collaboration with French designers in order to design and produce commercial products that appeal to international customers

The programme has faced challenges related to quality, access and funding:

- The quality and timeliness of production: Products are often sent back and forth between the producers in the refugee camps and the Afrika Tiss office in the capital city before they are judged to be of sufficient quality for international markets. The pace of production remains slow, while international demand grows. The complex production process needs to be improved before accepting large orders and entering into more international markets.
- Access to refugee camps: The refugee camps are situated in a "Red Zone", and at a significant distance from the capital city (three to four hours' drive), which makes the improvement of production processes more difficult to achieve. Insecurity around the camps also prevents camp refugee artisans from selling their products locally; instead they must travel to the capital city to sell their products on local markets.
- Securing funds for the implementation of the third phase of this project (i.e. achieving the self-reliance of 200 refugee artisans) and for sustaining the project beyond 2018 when UNHCR financial support ends.

#### 3.2 Replicability

Prerequisites for this type of project are: (1) access to artisan refugees who have already mastered traditional skills to create high-quality products before fleeing their home countries; (2) a national policy context which allows refugees to work in the host country (refugees in the West African Economic and Monetary Union (UEMOA) do not need a work permit from a host country);

and (3) an experienced designer partner who has established international platforms for marketing artisanal products.

Logistical difficulties (i.e. local insecurity and distance to the refugee camps) may be compounded by the often limited operational capacity of social enterprises (in terms of human, financial and infrastructural resources). A challenge that Afrika Tiss faces in common with other UNHCR social enterprise partners implementing similar projects in other countries is that, beyond the seed funding provided by the UNHCR, these partners struggle to secure funds to scale up their programmes. The sustainability of such programmes may rely on partnerships with global retailers, as these partners can provide the purchase orders necessary to ensure the continued livelihoods of trained refugee artisans.

Other challenges noted by the UNHCR that may help to improve the design of similar projects:

- Encouraging refugee artisans to adopt a more entrepreneurial mindset: Typically, refugee artisans place greater value on stable sales than on profit, invest income in savings rather than in productive work inputs, and do not appreciate the benefits of forming associations.
- In order to promote the inclusion of female artisans, additional training on basic literacy and numeracy may be required, given that female refugees typically have lower educational levels than male refugees.
- Refugee-made products may be perceived negatively by potential customers, due to stigma. Such perceptions may be hard to change.

Afrika Tiss offers additional recommendations for social enterprises interested in implementing similar programmes:

- Engage all relevant stakeholders and ensure that they understand all aspects of the project.
- It is unrealistic to expect refugee artisans to achieve self-reliance within one to two years; a longer-term funding commitment is therefore important.
- When a social enterprise needs specific technical support and expertise, it is important to hire professionals rather than rely on volunteers.

## Case study No. 2 – Sahel Milk, Burkina Faso

### Success stories



**Dicko Abdoulaye Amadou: collector based in Yacouta (a village 10 km from Dori).**

"I'm very satisfied as now there is a sense of confidence between the different project members and our working relationships have improved. We're reassured that our work will bring good returns and we'll be able to feed our families. The producers know that their milk will sell at a good price. The collectors make money as do the women who do the processing."

**Dicko Mamadou Hamadou, collector based in Bafele (a village 22 km from Dori).**

"Before the start of the projects, we had problems selling milk but now producers have come to understand that they can make a lot of money from milk. We're happy because our 31 animals are vaccinated, they get free treatment and we get free or subsidized fodder. I'm earning CFAF 50 for every litre I sell and am seeing weekly profits of CFAF 12,500 to 15,000."

**President of Tordie Liptako dairy in Dori.** "The dairy has created employment for female members of the association. The dairy has been able to adapt output in response to demand."

**President of dairy association in Dori.** "Relationships between producers and collectors have improved. Mutual trust has been established, and everyone is honouring their commitments within the value chain."

Source: <http://www.efd.org/media/uploads/2016/07/Sahel-IHM-report-Feb-2016-1.pdf>

### 1. Basic information

**1.1 Initiative** Seeds for Solutions ("Sahel Milk")

**1.2 Country and locality** Burkina Faso, Sahel Region

**1.3 Time of implementation** 2015–December 2017

**1.4 Implementing organization(s)** UNHCR  
Vétérinaires Sans Frontières (VSF) Belgium

**1.5 Nature of the implementing organization(s)**

NGO and international organization

### 2. Description

#### 2.1 Objectives

By establishing profitable and sustainable income-generating dairy activities and microenterprises within refugee host communities, this project aims

to contribute to the self-reliance and socioeconomic well-being of Malian refugees and surrounding communities in the Sahel Region.

The project was designed to:

- gradually improve productive capacity and income towards self-reliance.
- strengthen socioeconomic ties between host communities and refugees.
- contribute to feeding refugee children.

## 2.2 Target groups

The project has identified a target group of about 2,800 biometrically registered refugees in the Goudebo<sup>7</sup> and Mentao camps (60 per cent), as well as host community members (40 per cent).<sup>8</sup> This group includes producers already enrolled in VSF-Belgium's previous interventions (on breeding and the genetic improvement of cattle).

Eligible participants for this programme:

- are already engaged in milk value chain activities (e.g. production, collection, processing and marketing activities).
- have at least one year of experience or demonstrated competency in one of the milk value chain activities.

Of the total number of beneficiaries, 30 per cent must be women (female heads of household are especially targeted) and at least 15 per cent should be people with special needs. Household size was also taken into account when selecting participants.

## 2.3 Approaches and activities

In 2014, UNHCR commissioned a study to create the baselines for this project,<sup>9</sup> and VSF-Belgium completed the selection of beneficiaries.

The project was implemented in three stages with the following goals and activities:

1. In 2015, **increasing milk production by 20 per cent and strengthening refugee assets** through literacy courses; training in animal care, forage conservation, pastoral resource management and input provision; and creating business networks of milk producers, collectors, producers and sellers.
2. In 2016, **increasing the income and future earning capabilities of owners, processors, sellers and collectors** through infrastructure support and capacity-building in entrepreneurship and business development at the individual and association levels.
3. In 2017, **strengthening the resilience and self-sustained earning capabilities of refugees and host communities** through technical and advisory support to refugee microenterprises (5–12 persons), covering topics such as business development for project financing, access to financial services and the integration of herders and milk producers into associations.

Training sessions were organized in the refugee camps free of charge. In addition to the training, the beneficiaries received veterinary and para-veterinary support (e.g. vaccination) and a subsidy for cattle feed from VSF-Belgium.

## 2.4 Institutional setting

VSF-Belgium was UNHCR's project partner. UNHCR monitored and evaluated the project activities and provided technical guidance and support to VSF-Belgium.<sup>10</sup> UNHCR also coordinated the activities of other organizations, such as the World Food Programme for stipends in a mixed form (i.e. food rations and cash),<sup>11</sup> the Centre de Support en Santé Internationale for health care services and Save the Children International for nutrition education.

A local consultancy firm, SAGRASY, was hired to conduct training on entrepreneurship, develop business plans for project financing, and monitor and advise refugee microenterprise groups. The British research NGO Evidence for Development carried out the baseline household assessments in 2014 and 2016.<sup>12</sup> A Swiss consultancy firm, KALYTA Partners, provided technical support on financial education and the Graduation Model.

## 2.5 Funding arrangements

The IKEA Foundation financed the total project cost, which exceeded €4 million.

## 2.6 Impact and results

Over the three-year period, 2,151 people were trained in various livestock-related technical topics including herd management and milk production processes; 151 microenterprises were created (as compared with 25 in 2015). In the refugee camps, Save the Children International set up "milk kitchens" to feed refugee children. The milk was supplied through local procurement from mini-dairies supported by the project.<sup>13</sup>

For the business development segment of this project, the project has been successful in:

- Revitalizing the milk value chain (regular delivery of milk in quantity and quality)
- Linking actors in the milk value chain
- Improving the functioning of a milk quality control system
- Establishing microenterprises

VSF-Belgium presented the following performance indicators for phases two and three (2016–2017):

- Number of beneficiaries (including association members) who received advice on business opportunities and received cash grants<sup>14</sup> to start their economic activity: 985
- Number of beneficiaries trained in entrepreneurship and business development: 539
- Share of milk products sellers with their own businesses who have diversified income-generating activities (measured by new markets served and the expansion of dairy products and livestock use): 69 per cent
- Share of beneficiaries who manage profitable businesses: 50 per cent

## 3. Analysis and discussion

### 3.1 Success factors and challenges

Key success factors:

- **Creation of the "milk kitchen"**: An innovative supplementary feeding programme targeting refugee children under five years old was the first of its kind in refugee camps worldwide.
- **Local stakeholder involvement**: The Government of Burkina Faso (at national and district levels) was keen to support Malian refugee projects in general.
- **The technical expertise of implementing partners**: For example, both VSF-Belgium and Save the Children International are known for their technical expertise in their respective fields of livestock and nutrition.

Main challenges:

- The unstable security situation inhibited monitoring visits in some areas and did not allow refugees to access some local markets.
- Producers of dairy products found it difficult to see themselves as entrepreneurs and would often depend on donor assistance rather working to improve their businesses and generate profits.
- Community activities within the microenterprise groups are not yet well developed and require additional support.

The marketing of dairy products to local markets remains weak.

### 3.2 Replicability

VSF-Belgium plans to extend the same entrepreneurial approach to another project ("l'Aide d'urgence, la Réhabilitation et le Développement", financed by the European Union (EU) and other donors), which will focus on the population in the Yagha Province in Burkina Faso.

For the successful implementation of similar projects by other organizations, VSF-Belgium suggests:

- securing multi-year funding for implementing the project.
- having a multidisciplinary team and a qualified team for entrepreneurial coaching.
- considering the market saturation point of the products to be promoted.
- promoting the use of simple equipment (e.g. pasteurizers) adapted to the local context (e.g. energy and capacity).
- strengthening entrepreneurial skills.

## Case study No. 3 – The IOM Livelihoods Assistance Programme, Ethiopia

### Success stories



Twenty-year-old **Abdi** is a Somali refugee living in Dolo town with his parents and nine brothers and sisters. He used to struggle to find a job. After being trained in the IOM's targeted Livelihood programme, he now works in a barbershop.

Abdi and the other barber rotate the days in the barbershop and share the profits each month. Now, he is earning enough money not only to buy himself clothes and the other necessities, but to contribute to his family's income. "I would like to open my own barbershop one day using part of the money I'm earning," explained Abdi.

Eighteen-year-old **Akenya** lives in Jewi village with his mother, father and five siblings. The village is located next to the Jewi refugee camp, which hosts over 57,000 South Sudanese refugees. According to Akenya, the refugees had taken most of the firewood from the forest, contributing to deforestation and

affecting local villagers' livelihoods. IOM's targeted Livelihood programme has helped improve the situation.

The programme helped Akenya to initiate his poultry-rearing business by providing training and 23 chickens. When speaking of the assistance he received, Akenya said, "The chickens provided by IOM gave birth to more chickens and now I have 45. I sell the eggs in the market in Jewi and can support my family with the proceeds."

### 1. Basic information

**1.1 Initiative** Targeted livelihood assistance for refugees and the communities hosting them

**1.2 Country and locality** Ethiopia

**1.3 Time of implementation** 31 March 2016–30 March 2017

**1.4 Implementing organization(s)**

International Organization for Migration (IOM)

**1.5 Nature of the implementing organization(s)**

International organization

### 2. Description

#### 2.1 Objectives

The initiative aims to support the economic self-reliance and social cohesion of refugees and their host communities in Ethiopia. Ethiopia hosts the second largest refugee population in Africa, with over 847,000 refugees from 19 countries, the majority originating from neighbouring South Sudan and Somalia.<sup>15</sup>

The programme aims particularly at engaging young refugees in productive activities, in order to reduce the risks and negative consequences that stem from the lack of employment and economic opportunities for refugee youth. Somali refugee youth, in particular, are at risk of secondary migration, trafficking, smuggling and exposure to extremist groups, whereas South Sudanese refugees face competition for resources such as firewood, which has resulted in growing hostility between these refugees and the host community. Reducing these risks and promoting social cohesion is therefore a secondary aim of the programme.

#### 2.2 Target groups

Refugees live in 27 refugee camps and a large number of settlement areas. The initiative specifically targets refugees from Somalia and South Sudan, as well as host communities around five refugee camps (Bokolimayo, Melkadida and Dolo for Somali refugees and Jewi and Tsore for South Sudanese refugees). Refugees from Somalia and South Sudan are located in the eastern and western areas of Ethiopia, at some distance from each other. The initiative was therefore implemented in two stages, targeting the two groups separately. In order to recruit participants to and raise awareness of the programme, information about the intervention activities is communicated to all relevant stakeholders, including refugees and members of nearby communities.

#### 2.3 Approaches and activities

The needs of specific target beneficiary groups were assessed by a consultancy firm at the request of IOM. The intervention's design has therefore taken into account the target groups' existing skills and skill gaps, the preferences and

interests of refugees and host communities, their previous economic activities, existing local demand for goods and services, and the camps' structures and stakeholders.

At the early stage of designing the initiative, both vocational training and agriculture-based activities were envisaged. However, on the basis of the results of the assessment and the government's suggestion, vocational training became the focus of the intervention.

The training was provided by hired professional Ethiopian trainers in the refugee camps. The course content included vocational skills for different types of business. This was complemented with the provision of standard start-up kits (basic tools and equipment) needed for some of the business activities in which participants were trained.

In the case of Somali refugees and host communities, the initial assessment identified their potential to engage in activities such as tailoring and embroidery, beauty services and henna design, hairdressing, carpentry and woodwork, and catering. Relevant vocational training was provided accordingly. In addition, start-up kits and working space were provided to participants. Networking opportunities were also organized in order to facilitate linkages with local markets and institutions.

The vocational training brought about community dialogue and peer education by encouraging interaction among participants who included both refugees and host community members. These conversations helped refugee youth to make an informed decision to resist radicalism, extremism and human trafficking.

In the case of the South Sudanese refugees and host communities, initial assessment identified their potential to engage in activities such as home gardening (horticulture), fishery, beekeeping, female self-help groups/cooperatives, embroidery, shelter construction and environment protection. Start-up kits, practical training and mentoring were provided to these beneficiaries.

#### 2.4 Institutional setting

The initiative was implemented directly by the local office and field team of IOM in Ethiopia.

The daily activities were undertaken in close collaboration with UNHCR and the Administration of Refugees and Returnees Affairs, which play a central role in addressing refugee-related issues, as well as with the local administrations in both regions.

#### 2.5 Funding arrangements

The initiative was funded by the Government of Japan for the period from 31 March 2016 to 30 March 2017.

Total funding for programme activities assisting Somali refugees was US\$1 million, while funds for assisting the South Sudanese refugees was US\$1.25 million. Two contracts were signed for the two parts of the initiative.



## 2.6 Impact and results

Among Somali refugees and host communities, 210 youths (120 refugees and 90 host community members) were provided with training, start-up kits, working space and linkages with local market and institutions.

Among South Sudanese refugees, 2,868 participants (2,338 refugees and 530 community members) have benefited from the provision of training, start-up kits and mentoring.

## 3. Analysis and discussion

### 3.1 Success factors and challenges

Most important to the initiative's success were the careful needs assessment of targeted refugees and local community members and the detailed analysis of the specific local contexts.

In addition, close collaboration with UNHCR and with central and local authorities has facilitated the smooth implementation of the initiative, enabling

beneficiaries to set up individual or group-based business activities and to start generating income.

The greatest challenge for the initiative was to balance the large number of refugees in need of assistance with the limited resources available for the programme's implementation. In order to maximize programme effectiveness within these constraints, IOM had to define very strict selection criteria for the training.

### 3.2 Replicability

The initiative has a high degree of replicability. The two major partners, UNHCR and the Administration of Refugees and Returnees Affairs, have requested that IOM expand its activities in Ethiopia. Actions have been taken to solicit funding for the replication of the initiative.

## Case study No. 4 – Business Start-up Centre (BSC) Monrovia, Liberia

### Success story



**Princess Koffa** is a BSC-trained entrepreneur in the waste management industry working in Paynesville City near Monrovia. She employs more than 75 Liberians.

### 1. Basic information

#### 1.1 Initiative

BSC Monrovia  
An incubator that delivers entrepreneurship training to aspiring youth entrepreneurs (also affiliated with SPARK from the Netherlands)

**1.2 Country and locality** Liberia (first and main branch is in Monrovia; in 2014, four more centres opened across Liberia)

**1.3 Time of implementation** 2011–present

**1.4 Implementing organization(s)** BSC Monrovia

**1.5 Nature of the implementing organization(s)** NGO

### 2. Description

#### 2.1 Objectives

Poverty alleviation in Liberia through entrepreneurship

#### 2.2 Target groups

BSC targets young entrepreneurs. It does not target migrant groups in particular, but the composition of migrant members is quite substantial (about 30 per cent of BSC members are not Liberians, and about 80 per cent of those non-Liberians are from Nigeria and Guinea). The way they reach out to their target group is through promotion campaigns in local communities, word of mouth, canvassing and radio.

#### 2.3 Approaches and activities

BSC's main activities are business incubation, business skills training, business development services and matchmaking with investors. Some examples:

- Business coaching and mentoring are offered through BSC Scholarships. To date, BSC has run two scholarship cohorts.
- Management training includes a visit to another country (the first batch went to South Africa, to learn how business is done there).<sup>16</sup>

- “Business in a Box” – Delivered in cooperation with the International Finance Corporation (IFC), the Liberian Ministry of Commerce and Industry and SPARK, this is a business incubation event where participants present their business ideas and compete for access to seed funding.
- Networking events connect members with other entrepreneurs.
- BSC helps its beneficiaries to navigate relevant business regulations. BSC was also part of the committee that wrote Liberia's first SME regulation, called the Small Business Empowerment Act.

#### 2.4 Institutional setting

BSC's operational team is small, with only seven staff. For funding and expertise (trainers, speakers at events, panel of judges in business competition), they rely on partners – a mix of NGOs, government, intergovernmental organizations and universities. Virgin Unite and SPARK are some of their oldest and most active partners.

#### 2.5 Funding arrangements

Multiple donors and grants have provided funding. BSC is seeking ways to be self-sustaining, but this is difficult as it has no other source of revenue apart from donations – for example, it does not charge membership fees.

#### 2.6 Impact and results

- BSC has expanded to four cities across Liberia.
- Through LADA (one of its investment programmes, partnering with USAID), 10 agriculture SME entrepreneurs received seed funding of about US\$5,000 each.
- BSC was involved in the development of Liberia's first SME regulation.
- The majority of participants in the “Business in a Box” programme have received business loans.

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### 3. Analysis and discussion

#### 3.1 Success factors and challenges

Key success factors:

- Excellent partnerships: Through partnerships with the private sector, BSC is well connected to business expertise. Private sector partners provide not only funding, but also in-kind support such as training and a subscription to the Salesforce software program. BSC also benefits from good engagement with partners in local communities.
- Focus on incubation: BSC emphasizes the importance of helping to shape good business plans.

Main challenges:

- Internal: Limited resources are stretched between operational efforts and pursuit of funding and grants.
- External: the typical challenges of doing business in Liberia: regulations, taxation, infrastructure. An advantage for BSC's work is that non-Liberian

members do have access to work permits in Liberia, and also, BSC has good relationships with relevant government offices, which makes it easier to resolve problems (e.g. relating to work permits and business licences) when they arise.

#### 3.2 Replicability

One of BSC's advantages is that it can link budding businesses with financing and expertise, which adds significant value to its incubation role. To replicate BSC's approach, it would be necessary to have a strong network of investors and partners with entrepreneurial expertise to support members in successfully implementing their business plans, and in making the businesses of graduates sustainable. In terms of internal operations, BSC recommends that organizations looking to replicate its approach be creative in their development of private sector partnerships; partners can provide not only funding, but also other forms of support.

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## Case study No. 5 – Indego Africa, Rwanda

### Success story



**Adeline Ntirabampa**, 50, is extremely proud of the education that she has been receiving from Indego Africa.

"Indego's training has helped me come up with ideas that will be helpful for me to run my own business in the future", said Adeline. "For me, working with Indego is important and profitable because I'm not only gaining business knowledge and vocational skills, but also earning income at the same time."

### 1. Basic information

**1.1 Initiative** Vocational and business training for refugees

**1.2 Country and locality** Rwanda, Mahama

**1.3 Time of implementation** September 2016–present

**1.4 Implementing organization(s)** Indego Africa (non-profit design company empowering female artisans in Rwanda and Ghana)<sup>17</sup>

**1.5 Nature of the implementing organization(s)** Social enterprise

### 2. Description

#### 2.1 Objectives

- To help female camp refugees improve their livelihoods by providing them with vocational and business skills training
- To create sustainable, income-generating opportunities for refugee women by teaching them to produce high-quality handmade articles for local and international markets

#### 2.2 Target groups

Female Burundi refugees in the Mahama Refugee Camp who are able to work and who acquired some artisanal skills before fleeing to Rwanda.

#### 2.3 Approaches and activities

Since 2007, Indego Africa has trained more than 1,000 Rwandan women through free-of-charge educational programmes (composed of vocational training and business education).<sup>18</sup> In New York City, Indego Africa designs

products that can be made by hand by trained women refugees in Rwanda and places purchase orders to 27 local partner cooperatives, managed by the same trained Rwandan women. The finished products are shipped by Indego Africa to the United States under the African Growth and Opportunities Act.<sup>19</sup> The products are also sold online and to retail and wholesale clients around the world.<sup>20</sup>

Rather than providing cash grants or loans to start their own business, Indego Africa gives Rwandan trainees the option to join an existing cooperative or to create a new one (with a minimum of 10 women) after finishing the technical training.<sup>21</sup> Trainees can start earning income for what they have produced immediately after joining a cooperative, while following the business education training. For those women who wish to make products for the local market, Indego Africa helps them to keep a stock of raw materials and to create their own designs.

Building on the success of its work with local Rwandan women's cooperatives, Indego Africa has introduced its business model to Burundi women refugees in camps in Rwanda. The focus of the technical training for the first 50 women (started in September 2016)<sup>22</sup> was on weaving baskets and accessories, followed by 25 training workshops (two days per week for six months) on basic business education; cooperative governance and formation; cooperative regulations in Rwanda, cooperative bank account management, bookkeeping, budgeting; supply chain logistics, quality control, market structure and competition, and the use of technology for market access.

In the absence of cooperatives in the Mahama camp, the focus of the business education was placed on cooperative governance and formation. Refugee trainees participated in forming a new cooperative and setting up a cooperative

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bank account, where 10 per cent of sales and monthly membership fees are to be saved regularly. Furthermore, to ensure the financial inclusion of all trainees, Indego Africa also helped refugee women trainees open bank accounts, so that they could start accumulating their own capital for achieving self-reliance or their business aspirations (e.g. starting their own business and renting their own workspace outside the camp).

For the training of 50 Burundi women at the Mahama camp, Indego Africa hired three female artisans from one of its Rwandan partner cooperatives. The training was free, and meals were provided to all training participants. Until the completion of the technical skills training in early 2017, the trainers travelled with Indego Africa's production team every day from Kigali to the refugee camp. After the completion of the business education programme in mid-2017, Indego Africa's production and education teams visit the camp twice a month for quality control and new design guidance.

## 2.4 Institutional setting

This project is monitored and coordinated by UNHCR, under the Ministry of Disaster Management (MIDIMAR)-UNHCR Strategy for Economic Inclusion of Refugees 2016–2020.<sup>23</sup>

Indego Africa receives advice and logistical support (e.g. a workspace in the Women and Girls Opportunity Centre in the Mahama Refugee Camp) from UNHCR. MIDIMAR grants access to the camp for the Indego Africa's production and education teams.

## 2.5 Funding arrangements

Indego Africa's operations in Rwanda have been financed by grants and private contributions from individual donors. The budget for training the first group of 50 women was US\$25,000–35,000 (for six to nine months). Any profits from sales go to support the education programmes and market access operations and employees in Rwanda.

UNHCR contributed about US\$35,000 to the pilot phase of this project (September–December 2016).

## 2.6 Impact and results

- Refugee trainees have created a cooperative (Akeza Kararonderwa Burundi), which has become Indego Africa's 28th cooperative partner in Rwanda. Monthly membership fees have been collected to manage the cooperative and to purchase production supplies. The cooperative can also lend money to its members to meet their family's basic needs, at an annual interest rate of 10 per cent.
- All trained artisans have opened a personal bank account at a Rwandan commercial bank (in comparison, on average, 35 per cent of Rwandan women have formal bank accounts).<sup>24</sup>
- In the last 12 months, the Akeza cooperative has earned US\$5,770 by fulfilling purchase orders for Indego Africa and has made US\$1,898 in sales on the local market.

## 3. Analysis and discussion

### 3.1 Success factors and challenges

Key success factors:

- Indego Africa's specialist knowledge and established platforms for exporting local artisanal products.

- Cultural and linguistic similarities between the Burundi trainees and the Rwandan education and production teams; for example, the Rwandan training materials have been used without translation.
- Baseline surveys to ensure favourable working conditions for trainees and access to raw materials for production.
- Indego Africa's post-training commitment to support the Akeza cooperative. Indego Africa provides rolling purchase orders (at the same unit price paid to Rwandan cooperative partners) along with design instruction (for new products) and quality control during and at the end of a purchase order. Indego pays the cooperatives for the products made that meet quality control standards and takes possession of the inventory, bearing the commercial risk if the products are not sold. Indego then pays to air-ship the products to the United States where post-production tagging, inventory and fulfilment of orders (packing and shipping to wholesale and retail clients) occur.

Main challenges:

- Inadequate workspace: The original workspace provided in the camp was too small to house 50 trainees. Indego Africa had to divide the trainees into two groups and alternate the courses for 25 women at a time.
- Provision of meals during the training: There was no budget allocated for food for the trainees. However, immediately after the training started, Indego Africa realized that offering meals was required for conducting the training efficiently.
- A lack of skills among trainees: At the beginning of the programme, many trainees had little experience in weaving, which brought about delays in the completion of certain designs.
- Distance to the camp: The Mahama Refugee Camp is about a four-hour drive from Kigali, where Indego Africa's office is located. Hiring a car for travelling between the two locations every day for the first several months was a logistical and financial challenge. Because Indego Africa has no full-time staff at the Mahama camp, occasionally they cannot participate in and be represented at certain meetings and other social events at the camp.
- Fundraising for training an additional 50 women who have different artisanal skills than the first group of trainees: Partnering with another NGO may provide a solution, but finding a capable and qualified partner for the on-site training activities has been a challenge.

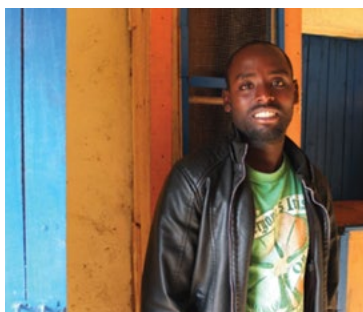
### 3.2 Replicability

Indego Africa participates in the discussions that are carried out among stakeholders of the MADE51 (Markets, Design and Empowerment of refugee artisans)<sup>25</sup> project about the selection of potential projects in other locations. At the Mahama camp, subject to adequate donor funding, Indego Africa may start training a second group of 50 refugees for the manufacture of a different product (to meet high international demand for products made of woven banana leaf).

Ideally, a similar project should be implemented in a well-equipped workspace, which is easily accessible by the suppliers of raw materials, qualified trainers and production staff in charge of quality control. In practice, however, this is not possible in many refugee camps. The sustainability of a similar programme will depend on whether the implementing organization can be sure that demand in the international market will exist for the products created by project beneficiaries.

## Case study No. 6 – Inkomoko Refugee Entrepreneurship Programme, Rwanda

### Success stories



Gihembe Refugee Camp in the north of Rwanda is home to nearly 12,700 Congolese refugees. **Annonciate Mukamunana** is one of them. Together with two partners, Annonciate runs a tailoring business in the camp. All three tailors are living with disabilities, and they joined forces to show that a disability is not a hindrance to running a business. Hundreds of residents in Gihembe Camp are being resettled to the United States each year, and many of Annonciate's customers are women wanting to bring nice, new clothes with them overseas. Annonciate and her associates received a US\$200 loan from AEC, enabling them to build a stock and prepare for large orders. Soon they hope to be able to buy bigger and better machines. "Inkomoko trained us to manage our cash flow and keep financial reports. It's not like before. We were not used to figures – we were just spending as we earned. Now we know the progress of our business."

**Justin**, a camp refugee from the Democratic Republic of the Congo, opened a restaurant, named after his birth place, Ilundu. It is the only restaurant in the Kigeme Refugee Camp which serves hot plates, as well as sells wholesale items. When Justin joined the Inkomoko program, there was only one room in his restaurant. Since then, Justin has added two more rooms and his business is growing faster than he has ever imagined. He says that Inkomoko helped him expand his business. Justin's second and newest business is a bar, consisting of a main room filled with 2 tables and about 10 chairs. "I am very happy that Inkomoko has believed in me, and now I supply the lunch whenever Inkomoko holds a training in our camp. Even if I were given a chance to leave the camp, I would not leave my businesses. It is not my time to leave", says the 28-year-old CEO.

Source: [https://static1.squarespace.com/static/546b1bdf4b0dc18fc9ac37e/t/58fdab90197aea6d06b5dbfd/1493019628834/AEC\\_Annual\\_Report\\_2016\\_Web.pdf](https://static1.squarespace.com/static/546b1bdf4b0dc18fc9ac37e/t/58fdab90197aea6d06b5dbfd/1493019628834/AEC_Annual_Report_2016_Web.pdf), (pp. 12–13)

### 1. Basic information

**1.1 Initiative** Inkomoko Refugee Entrepreneurship Programme

**1.2 Country and locality** Rwanda

**1.3 Time of implementation** 2016–present

**1.4 Implementing organization(s)** Inkomoko Business Development (Rwandan affiliate of the African Entrepreneur Collective (AEC),<sup>26</sup> based in the United States)

**1.5 Nature of the implementing organization(s)** Social enterprise

### 2. Description

#### 2.1 Objectives

Supporting refugee entrepreneurs to grow their business and create jobs within the local host economy

#### 2.2 Target groups

Burundian and Congolese camp and urban refugees who are registered with UNHCR in Rwanda and who have at least a business idea.

The beneficiaries are referred to Inkomoko by four actors:

- Direct partner organizations: i.e. UNHCR and Ministry of Disaster Management and Refugees (MIDIMAR)
- Other organizations working with refugees
- Refugee leadership
- Various social networks created by refugees (e.g. WhatsApp groups and religious groups)

#### 2.3 Approaches and activities

Inkomoko operates two programmes: (1) a "Light" Programme for refugees who have not yet started a business or who run a microenterprise; and (2) a "Full" Programme for entrepreneurs who already have high-growth-potential businesses (about 25 per cent of all participants).<sup>27</sup> Both programmes focus on the provision of practical capacity-building and training activities.

The Light Programme consists of three elements:

1. Business skills training (approximately 40 hours) on business plans, local regulations (registration and taxation), accounting, cash flow management, and so on
2. An easy-to-use bookkeeping, cash flow and inventory management tool<sup>28</sup>
3. Networking opportunities with host-community businesses

The Full Programme offers three additional elements:

1. Individual business assessments to identify areas for improvement and growth
2. Individual consultations on how to grow their businesses and create jobs, and on financial management, operations and sales
3. Access to affordable capital (from AEC Rwanda Trustee's fund and Kiva)<sup>29</sup>

The programmes are conducted by full-time Inkomoko experts and are offered at different locations:

- For camp refugees, Inkomoko gives training in facilities available in the refugee camps.
- For urban refugees, Inkomoko uses training facilities in various cities where there is a critical mass of participants.
- For strategic consulting (offered as part of the Full Programme), Inkomoko experts visit participants individually at their business locations or participants (who are often urban refugees) come to Inkomoko's offices.

Refugees pay no fee for the first year. Fees are charged for those wishing to extend Inkomoko's services beyond the first year. Access to affordable professional services including legal advice and website design are available for an additional fee.

In 2016, the pilot project was implemented to serve urban refugees in Kigali and camp refugees in Gihembe, Kigeme and Nyabiheke. Following the evaluation of its pilot project, Inkomoko revised the curricula of the two programmes.

Over 2017–2020, Inkomoko aims to support 6,000 refugees in six camps and urban areas and to create 2,000 jobs by 2020. In 2017–2018 the project will target refugees in the same three camps, while also expanding to target refugees in other cities (Huye and Nyamata, in addition to Kigali). In 2018–2020, Inkomoko's support will expand the project to refugees in all six refugee camps in Rwanda.

#### 2.4 Institutional setting

Inkomoko is an implementation partner involved in the MIDIMAR-UNHCR Programme for Refugees and Host Community Livelihoods through Economic Inclusion in Rwanda (2016–2020). UNHCR monitors the project and coordinates with other partners to facilitate Inkomoko's operations (e.g. the identification of potential refugee entrepreneurs) and fundraising efforts. MIDIMAR grants access for Inkomoko staff to undertake activities in assigned refugee camps in Rwanda.

## 2.5 Funding arrangements

To finance the 2016 pilot project, UNHCR provided seed capital (about US\$250,000) to Inkomoko (in the form of a service contract). A similar arrangement was made for 2017.

Other sources of funding include the following:

- A total of US\$1 million for up to three years from Mastercard's Centre for Inclusive Growth
- A US\$250,000 line of credit from Kiva
- Additional funding for AEC from the US State Department (Populations, Refugees and Migrants Department)

## 2.6 Impact and results

In the 2016 pilot phase, Inkomoko trained and supported 420 urban and camp refugees, of which 58 per cent were women (and 75 per cent were Congolese), through 950 hours of one-on-one consulting and 149 hours of training. Among the participants, 41 businesses have been registered and 4 businesses obtained Kiva loans (RF 41 million = about \$48,000).<sup>30</sup> (The next round of indicators was released in February/March 2018.)

## 3. Analysis and discussion

### 3.1 Success factors and challenges

Key success factors:

- An enabling national policy environment: For example, as part of the MIDIMAR-UNHCR Strategy for Economic Inclusion of Refugees in Rwanda (2016–2020), the national government chose to consider refugees as an opportunity for the country's development rather than as a burden. Refugees can compete in local markets on the same basis as Rwandan nationals.<sup>31</sup>
- The expertise of Inkomoko staff in conducting practical entrepreneurship training for refugee entrepreneurs: Unlike the traditional NGO model, which provides refugees with grants and standardized or general training, Inkomoko operates with a focus on supporting individual refugee businesses to compete in the marketplace. Inkomoko develops a support plan to meet the particular needs of participating business owners. Inkomoko also believes that not everyone has the desire or the skills to be an entrepreneur. Therefore, candidates are subject to a rigorous selection process before they

are accepted into the programme. This also contributes to high participation rates in the programme and high success rates among graduates.

- The interest and willingness of donors to invest in refugee businesses, which has provided the programme with sufficient funding to deliver the expected outcomes.
- The UNHCR decision to give cash stipends to refugees: The World Food Programme and UNHCR provide unconditional cash stipends instead of in-kind assistance to all refugees, which contributes to increasing demand and consumption in the camps, creating more jobs and economic growth.<sup>32</sup>

Main challenges:

- The mindset of refugees: Refugee entrepreneurs are accustomed to the traditional NGO model that provides grants and training, and therefore find it more difficult to develop a business model and invest cash in growing their business.
- Insufficient cash flows, because of which many refugee businesses fail: In the refugee camps, most customers have little cash, which means that goods and services are often sold on credit. As a result, refugee businesses often have no working capital to restock, purchase raw materials or fulfil larger contracts (e.g. for NGOs or larger companies outside the camps). Many refugee entrepreneurs do not keep track of their finances and are therefore not aware of their cash flows.

### 3.2 Replicability

To keep participation rates high, training and support services should be practical and refugee participants should see the impact of these services on their businesses immediately (e.g. in terms of increasing revenues). If participants do not see the value of the training services or programmes, they should not be required to participate. Instead of providing generic services to all participants (i.e. following the traditional humanitarian support model), individual support plans should be developed on the basis of the initial assessment of each participant.

It is also critical to have strong partnerships with other field staff who work directly with refugees and coordinate various services. Their work (e.g. in protection, shelter, health and education) is an integral part of refugees' livelihoods and greatly influences the outcome of the refugee entrepreneurship programme.

## Case study No. 7 – SSCoS, Uganda

### Success story



**Grace Nambula**, a young woman and single parent, attended the entrepreneurship training conducted by EUg in August 2017. She operates a snacks and juice-making business from Kalerwe market, one of the busiest markets in Kampala. From the training, Grace gained confidence to engage her customers for lasting relationships. She also developed a business plan that she is implementing. Besides, Grace has drastically reduced her personal expenses which were encroaching on her business profits. She now accords more time to her business than before and has expanded her business networks. In a space of four months, Grace has been able to increase her monthly sales by 30 per cent.

She has started saving US\$1.4 (U Sh 5,000) daily, something she never did before. The daily saving is deposited with the Savings and Credit Cooperative Association where she is a member. Grace plans to expand her business by acquiring commercial refrigerators and a freezer that can enable her to supply more customers with snacks and drinks.

### 1. Basic information

**1.1 Initiative** The EU created the European Union Emergency Trust Fund for stability and addressing the root causes of irregular migration and displaced persons in Africa. It is benefiting a wide range of countries across Africa with a budget of €1.8 billion (U Sh 6.8 trillion), seeking to address violent extremism and to strengthen social cohesion.

IOM accessed funds from the Trust Fund to implement the Strengthening Social Cohesion and Stability in Slum populations programme (SSCoS) project

in Uganda, the first project launched under this new Trust Fund. The EU allocated €4.3 million (U Sh 16.4 billion) from the Trust Fund to improve the situation of youth in the urban slums of Kampala, including Bwaise, Kisenyi, Kabalagala and Katwe.

Small business skills training for cooperatives and small business is one of the interventions under SSCoS that was conducted by Enterprise Uganda (EUg) in partnership with IOM, the key implementing agency. Others include, for instance, conflict prevention, awareness of radicalization and violent

extremism and access to health assistance. These interventions are being implemented directly by IOM or through other partners.

## 1.2 Country and locality Uganda

## 1.3 Time of implementation 2016–2020

## 1.4 Implementing organization(s)

Designer and promoter: International Organization for Migration (IOM)  
Implementers: IOM and partners including Xavier Project, AFFCAD, ACTogether and YARID

## 1.5 Nature of the implementing organization(s)

Local government agency, international organization, NGO

## 2. Description

### 2.1 Objectives

The overall objective of the project is to address the root causes of intercommunal conflict in slum populations by addressing sources of grievances and by strengthening community cohesion about shared assets, such as community savings and cooperative associations. The specific objective is to provide employment opportunities and basic local services, as well as prevent conflict in marginalized communities in urban slums of Uganda. IOM engaged EUg as the consultant to undertake the development of comprehensive training manuals and conduct the training for youth and women on business skills development.

### 2.2 Target groups

The 3.5-year initiative targets vulnerable slum dwellers, refugees and immigrants in the slums of Bwaise, Kisenyi, Katwe and Kabalagala, in Kampala city. Among them are members of cooperatives and individual entrepreneurs.

### 2.3 Approaches and activities

Training needs assessment and baseline survey: The assessment informed the consultant about existing skill and knowledge gaps, the customization of the solutions proposed, the duration of each module and the sub-themes under each. In addition, a baseline survey tool was administered to enrolled entrepreneurs to establish quantitative baseline data on their situation before benefiting from the training. This information is vital as a reference point against which to measure business growth indicators such as sales turnover, capital investment, savings, market outreach and jobs created.

Entrepreneurship training: This training helps participants put their ideas into action, bring about an attitudinal change and build their entrepreneurial skills and competences. It gives participants an opportunity to test their resilience in entrepreneurship and provides continuous assessment and improvement. The training equips participants with the necessary knowledge, skills and confidence to implement their business ventures. These include, for instance, the ability to identify business opportunities, business and financial planning, and budgeting. Specifically, the training is aimed at strengthening participants' inclination and ability to adopt a success mindset; to see and act on opportunities; to set challenging goals; to enhance their road map to business growth through planning; and to increase their financial literacy and acumen.

Follow-up and mentoring clinics: After the entrepreneurship training, all participants attend a one-day follow-up session twice. At these follow-up clinics, participants are counselled and assisted to remain steadfast in their enterprise vocation, no matter the challenges. During the follow-up clinics, participants get the opportunity to have one-to-one discussions with business counsellors and share any challenges they are facing as they set out to refine and implement their business plans. Beyond the formal group business follow-up clinics, participants also receive individualized handholding support from EUg business mentors.

Specialized management enhancement training: After two months, specialized business clinics are held to deepen and concretize knowledge in key business areas in order to enhance and accelerate the momentum of participants' existing business activities. The key objective of such high-impact business clinics is to enable the participants to solidify their entrepreneurship journey while also exposing them to gradual appreciation of the common pitfalls to avoid in their business operations. The sessions proposed under specialized

training include financial management, marketing, cooperative management and excellent customer service. All those who go through the first training are invited. Usually about 75 per cent attend, depending on their specific needs. For example, one participant may attend financial management as an essential area and another may opt for marketing and customer care.

### 2.4 Institutional setting

The responsible agency is IOM. It works through other partners such as Xavier Project, AFFCAD, ACTogether and YARID. The project has also brought on board government agencies such as the Ministry of Internal Affairs, and specifically the Directorate of immigration and the police. The Slum Dwellers Association and the Somali Community Association have also been involved at the community level to assist in the mobilization of participants. The training is decentralized at the community level and takes place within easy reach of the participants. These organizations handle awareness-raising for the programme, and arrange the venue and logistics on behalf of IOM.

### 2.5 Funding arrangements

EUg accessed only funds earmarked for the entrepreneurship training consultancy and was not involved in the project management of other components of the programme. The funding for the first phase was US\$19,805. Currently EUg is negotiating for phase 2. According to information on the IOM website, the EU allocated €4.3 million (U Sh 16.4 billion) from the Trust Fund to improve the situation of youth and women in the urban slums of Kampala, including Bwaise, Kisenyi, Kabalagala and Katwe.

The project provided meals and stationery for participants and start-up kits in the form of tools and equipment to be used, thus boosting the motivation of the target beneficiaries.

### 2.6 Impact and results

- Some 335 entrepreneurs were trained in July and August 2017.
- Participants have enhanced their entrepreneurship and financial literacy skills and competences.
- Other impact parameters are to be evaluated after six months of training.

## 3. Analysis and discussion

### 3.1 Success factors and challenges

Major success factors include these three: (1) IOM works through a network of partners, which allows it to reach the target groups; (2) the consultants customized the materials to suit the levels of the participants; (3) local languages were used for comprehension.

At times, demand for the training was exceptionally high, compelling the trainers to divide the class into two. Local facilities were used; in some instances, the facilities lacked the necessary infrastructure and were located in noisy places.

### 3.2 Replicability

The potential for replication is high. Uganda has a growing number of refugees and immigrants who could benefit from such interventions. In addition to scaling up the intervention to serve the growing number of refugees and migrants in the country, the approach could also be replicated with other target groups such as the disabled, single parents and youth, not necessarily in slum areas. For example, the same approach has been applied to foster parents by the Cotton On Foundation and has shown positive results. For the Cotton On Foundation, EUg delivered similar training to foster parents, in order to help them acquire necessary skills and knowledge to undertake income-generating activities, so that they are able to pay the fees of the children under their care.

## Case study No. 8 – Vocational Skills Training, Uganda

### Success stories



**Dorcas**, a mother of four who fled from South Sudan, runs a beauty shop in the Nyumanzi refugee settlement. After participating in the enterprise management training, she has teamed up with three other women to run the shop. She plaits clients' hair and sells beauty products. "From the earnings that I get, I'm able to pay my rent and earn a small income."

**Amanzura**, a graduate of the carpentry class in Adjumani district, said "Out of the small earnings, I started to buy timber to make tables, beds, benches and chairs that I sell to earn some money. My clients are proud of my work and make me feel proud that I am contributing positively to the community."

### 1. Basic information

- 1.1 Initiative** Vocational Skills Training (VST)
- 1.2 Country and locality** Uganda, Adjumani and Arua districts
- 1.3 Time of implementation** February 2015–present
- 1.4 Implementing organization(s)** Norwegian Refugee Council (NRC)
- 1.5 Nature of the implementing organization(s)** NGO

### 2. Description

#### 2.1 Objectives

In response to a large influx of refugees from South Sudan, NRC signed a memorandum of understanding with the Office of the Prime Minister in Uganda to implement food security, livelihood and education programmes in the Adjumani and Arua districts.<sup>33</sup> As part of the education activities for young men and women, NRC designed this VST programme to help youth become economically self-reliant through entrepreneurship activities in their communities.

#### 2.2 Target groups

Refugees in Nyumanzi and Rhino settlements (70 per cent) and host community members (30 per cent). Participants must be between 18 and 35 years of age, and must be able to read and write.

#### 2.3 Approaches and activities

The VST programme consists of (1) informal training courses in eight vocations (bakery, bricklaying and concrete practice, carpentry, electronics, hairdressing, horticulture, poultry and tailoring); and (2) entrepreneurial courses on business planning, business management, group dynamics,<sup>34</sup> record-keeping and agronomic practices (only for horticulture and poultry-raising trainees). The programme is free for admitted trainees and lasts six months.

The courses are taught by experienced Ugandan instructors recruited by NRC. They are delivered at training facilities in the refugee settlements. On-site childcare services are made available for mothers with small children. Upon completion of the programme, graduates receive a "start-up kit" containing essential tools and inputs for setting up a business in their chosen vocation.<sup>35</sup> To evaluate the usefulness of the training programme and the start-up kits, NRC conducts a post-distribution monitoring survey of VST graduates three to six months after their graduation from the course.

#### 2.4 Institutional setting

NRC implements the programme in collaboration with the Directorate of Industrial Training, a body of the Ministry of Education and Sports mandated with assessing and awarding vocational training skills. UNHCR supports NRC in monitoring visits and graduation ceremonies in the refugee settlements.

#### 2.5 Funding arrangements

€0.8 million from the European Commission Civil Protection and Humanitarian Aid

#### 2.6 Impact and results

- From February 2015 to June 2016, the programme trained more than 1,000 beneficiaries in two cohorts; 1,092 people graduated from the course.

- A survey of 90 graduates (56 per cent refugees; 53 per cent female) conducted in October 2016 found that nearly 90 per cent of them had set up a business (e.g. bakeries and tailoring stands) in the market.<sup>36</sup> Most businesses were making profits.
- The survey also found that the household income of graduates had improved. On average, graduates earn U Sh 10,000 (US\$3) a day.<sup>37</sup>

### 3. Analysis and discussion

#### 3.1 Success factors and challenges

Key success factors:

- The full participation of all stakeholders (including local community leaders and welfare officers)
- A 70:30 ratio of refugees to host-community members participating in the programme, in order to promote integration and cohesion

Main challenges:

- A delay in the supply of training materials prolonged the scheduled completion of the programme by three months
- A delay in the assessment of trainees by the Directorate of Industrial Training affected the enrolment of a new cohort of trainees
- Difficulties monitoring the progress made by graduates, as some graduates have relocated to other refugee settlements or have moved back to their country of origin

#### 3.2 Replicability

The successful implementation of this programme has been facilitated by the host country's liberal refugee protection environment (e.g. freedom of movement, the right to work and establish business, access to social services and allocation of land for agricultural production). The replicability of this programme is high, subject to adequate funding. NRC has already started another round (the third) of the VST programme in the same districts. In order to scale up the programme, NRC may create a mobile training unit and open a dormitory to allow potential trainees who would otherwise find it difficult to commute to the refugee settlements to participate in the training programme. Taking into account the challenges faced by graduates during and after the programme, NRC offers the following suggestions to other organizations considering launching similar programmes:

- Undertake a needs assessment of the type of skills required by different vocational groups and genders.
- Consider providing microfinance for graduates.
- Organize meetings with members of the target communities in order to raise awareness of the programme and encourage enrolment.
- Create a mechanism for dealing with complaints and feedbacks from trainees and host communities.
- Establish a management committee for coordinating activities and meetings at the training centre.
- Consider delivering the training in shifts (e.g. morning and afternoon) in order to manage high demand for the courses (i.e. divide trainees into two groups and deliver the same training sessions twice a day).
- Provide meals to trainees – hunger was one of the major concerns raised by trainees.<sup>38</sup>
- Consider signing an agreement with corporations, financial institutions and/or contractors to facilitate immediate business or job opportunities for graduates.

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## Case study No. 9 – Entrepreneurship Support Program for Refugee Empowerment (ESPRES), Japan

### Success story

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ESPRES's first loan was granted to a **Pakistani entrepreneur**, who runs a company selling used Japanese cars, primarily online to overseas customers. Noting a growing interest in his business from customers in Mozambique, he applied for a small loan from a government-supported financial institution to expand his business there. Thanks to an additional loan from ESPRES, he managed to open a sales office in Mozambique. Driven by strong sales in that country, his total sales have more than doubled. His second sales office in Mozambique has been established, and business dealings with a local company have started.

**A former Vietnamese refugee**, who had left home as a teenager, studied at a Japanese high school and graduated from a Japanese university. While working for a construction company in Japan, he decided to open a Vietnamese restaurant in Japan. After working at a local restaurant for seven years, he opened his first restaurant in Tokyo, but it failed within a year. Thanks to ESPRES's technical assistance, he tried again. He now runs a popular Vietnamese restaurant in Kasumigaseki, a government office district in Tokyo. ESPRES's technical assistance continues to help his business grow and become more competitive.

### 1. Basic information

**1.1 Initiative** ESPRES

**1.2 Country and locality** Japan

**1.3 Time of implementation** March 2012–present

**1.4 Implementing organization(s)** Japan Association for Refugees (JAR)<sup>39</sup>

**1.5 Nature of the implementing organization(s)** NGO

### 2. Description

#### 2.1 Objectives

The determination of refugee status in Japan takes three years or more, and recognition rates remain extremely low.<sup>40</sup> During that time, social support provided by the Government of Japan is very limited. Even when refugees obtain official refugee status, there are many barriers in Japanese society which make it particularly difficult for refugees to start their own businesses. As refugees in Japan have limited or no access to credit from mainstream financial institutions or public lending programmes, ESPRES aims to provide financial and marketing resources to qualified refugee entrepreneurs to help them bridge this gap until their businesses become self-sustaining.

#### 2.2 Target groups

Business owners or acting business owners residing in Japan who have or have had<sup>41</sup> official refugee status granted by the Government of Japan or who have applied for the determination of refugee status and hold a valid Japanese work permit.<sup>42</sup>

Applicants must have a business plan or currently manage a business established less than three years earlier. The approved loan must be used for capital investment, working capital or opening a new establishment.

#### 2.3 Approaches and activities

This programme advocates that refugee entrepreneurship should be considered an excellent route for refugees to gain autonomy and integrate into the host country.<sup>43</sup> It provides a combination of technical support tailored to the particular needs of individual entrepreneurs and microcredit loans<sup>44</sup> for qualified refugee entrepreneurs.

Eligible candidates submit their applications to the ESPRES Secretariat (the ESPRES Secretariat assists candidates who have limited Japanese skills to fill in the required application forms). The selection process starts with interviews (on business proposal, management style and financial planning) and a site visit to identify qualified entrepreneurs for technical assistance. The programme then helps selected candidates prepare their loan applications by refining their

business plans, while providing them with technical assistance.<sup>45</sup> Successful candidates receive a microcredit loan, usually two to three months after their loan applications have been submitted. The specific terms and conditions of the approved loans are decided on a case-by-case basis.

Seminars led by pro bono business consultants and accountants (delivered mostly in English) provide guidance on different aspects of starting and running a business in Japan. Occasionally, successful entrepreneurs who have benefited from the ESPRES programme are introduced as role models to seminar participants. When requested, the ESPRES Secretariat also works with beneficiaries to identify relevant regulatory barriers and processes (for example, to establish a particular business activity or to obtain a special business permit) and advises beneficiaries on how best to proceed in the regulatory environment.

In the case that a refugee has no existing experience of entrepreneurship in Japan but has some business ideas, the ESPRES Secretariat advises them on how to move forward with their ideas. If the Secretariat is convinced that the refugee is particularly determined to become an entrepreneur, it may offer them help in developing a concrete business plan, sometimes with assistance from a pro bono specialist.

#### 2.4 Institutional setting

ESPRES is Japan's first government-authorized microfinance institution for "entrepreneurs with a refugee background". JAR contributes financial and human resources, and Social Venture Partners Tokyo<sup>46</sup> contributes grants and advisory services to the programme.

#### 2.5 Funding arrangements

The annual budget for the programme for the past three years was ¥4 million (equivalent to US\$35,500). Donations from individuals and corporate sponsors have been the main source of funding for this programme.

Repayments of loans are put back into ESPRES's capital and made available to other qualified refugee entrepreneurs. Interest payments received have been used to finance the programme's operations.

#### 2.6 Impact and results

Since 2012, about 30 refugee entrepreneurs have received technical assistance from ESPRES, of which 7 have received ESPRES loans. As of November 2017, five are making loan repayments to the programme.



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### 3. Analysis and discussion

#### 3.1 Success factors and challenges

Key success factors:

- The Secretariat's conviction that, rather than representing a burden on the Japanese economy, refugees provide valuable human capital and innovation which contributes to Japanese society
- The programme beneficiaries' determination and ability to become successful entrepreneurs in Japan
- ESPRE's support in linking refugee businesses to the host community (e.g. local volunteers have helped to market a refugee-owned restaurant in their community)

Main challenges:

- A lack of financial and human resources to assist more qualified candidates in different industries. The existing organizational support, which draws on a network of pro bono professionals (e.g. lawyers and accountants) and volunteers, works well to support traditional small businesses (e.g. a restaurant in downtown Tokyo), but may not be adequate for supporting other types of refugee businesses (e.g. an IT or export-trade business), which require different types of expertise and resources. As the ESPRE Secretariat has started to encounter an increasing number of refugee entrepreneurs who wish to start an IT or export-trade business, an emerging challenge for this programme is how to assess the potential and capacities of each applicant, and to design and deliver customized services for qualified entrepreneurs in such industries.
- The limited resources and infrastructure available at national and local levels to facilitate the integration of refugee entrepreneurs into host communities. Refugees have particular difficulties in managing a wide range of day-to-day activities (language barriers are most common), which puts them at a disadvantage from the outset in terms of competing with other entrepreneurs.

- Institutional inflexibility: in general, national policy assumes that refugees will work as employees, rather than as employers or self-employed business owners. As a result, refugee entrepreneurs' applications for setting up their own businesses in Japan are often misunderstood by Japanese officials and are processed without due diligence.<sup>47</sup> In many cases, refugee applicants holding a valid work permit in Japan can start their own business.<sup>48</sup> Nevertheless, establishing certain types of businesses (e.g. an antiques shop) requires special authorization from a local authority, which is unlikely to be granted before a individual's official refugee status is determined.

#### 3.2 Replicability

The programme's replication depends on the national policy context: the legal framework must allow refugee entrepreneurs to start their own businesses, even if their official refugee status is pending. Also, in Japan, registering as a microfinance institution is highly complex and cumbersome, and NGOs are not allowed to handle investment funds. On the basis of ESPRE's experience, it is recommended that governments simplify and minimize the administrative costs and time needed to register public interest organizations that provide financial support to refugee and migrant entrepreneurs.

Given the special needs of refugee entrepreneurs (e.g. not only in seeking access to capital but also in acquiring sufficient local language skills and learning local business practices), the ESPRE Secretariat suggests that similar programmes should be well-funded and implemented by a multidisciplinary team of professionals, pro bono experts and volunteers.<sup>49</sup> Given the limited resources commonly available to NGOs, the programme's operations depend heavily on the involvement of pro bono professionals and volunteers. The implementing organization should also have adequate capacity to coordinate the delivery of different types of assistance and support to programme beneficiaries.

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## Case Study No. 10 – Micro Entrepreneurship Development (MED), Malaysia

### Success story



After having graduated from the MED training programme the life of many participants has changed.

This was due to business development, but it also shows their determination and confidence in trying out new business ventures. Some 57 per cent of respondents indicated that they are now very confident in running a new business.

### 1. Basic information

- 1.1 Initiative MED for Refugees
- 1.2 Country and locality Malaysia
- 1.3 Time of implementation 2015–2017
- 1.4 Implementing organization(s) National Association of Woman Entrepreneurs of Malaysia (NAWEM)
- 1.5 Nature of the implementing organization(s) NGO

### 2. Description

#### 2.1 Objectives

This project aims to increase economic self-sufficiency of entrepreneurial refugees from vulnerable households in the Klang Valley through the establishment or expansion of microenterprise businesses by providing access to technical skills training, business coaching and conditional grants.

#### 2.2 Target groups

In line with the UNHCR's prioritized interventions, Rohingya, Syrian, Yemeni, Iranian, Iraqi, Palestinian, Afghan, Pakistani and Somali refugees are categorized as Tier 1, which is the group requiring the most urgent assistance. As of January 2017, there were 56,135 Rohingas and 16,574 people of the other ethnicities registered with UNHCR. Hence, for 2017 the target group was 50 per cent Rohingya and 50 per cent non-Rohinga refugees, with priority given to women (70 per cent) and then men (30 per cent).

The selection criteria of participants were as follows:

- Registered with UNHCR
- Aged 18–55 years old
- Low chance of resettlement within the next 12 months
- Medically fit and able to run a business
- Net household income of more than RM 760 a month (based on the poverty line identified by PEMANDU) but less than RM 2,300 (2015 mean monthly household income)

- Interested in starting or expanding a business
- Interested in and committed to attending all classes and completing the programme
- Spouse and/or other dependents support their participation in the programme
- Preferably not in debt or less than RM 5,000 in debt
- Preferably residing in the target location of project implementation
- Preferably able to communicate in basic Bahasa Malaysia or English

UNHCR referred potential candidates based on available information. Referred candidates were scheduled for a pre-screening interview to ascertain if they met the eligibility criteria and to collect baseline data. Pre-screening interviews were held at a community-based organization at the target implementation location. Eligible candidates were shortlisted for the MED programme; house visits further assessed and verified their level of vulnerability.

### 2.3 Approaches and activities

The project included the following major activities:

**Orientation and sensitization for participants and their spouse and family members.** This served to brief them about the program, so that the family understands the requirements of the programme and can support the participant. At the event staff briefed participants on the requirements and conducted a warm-up team activity, to allow mentors and mentees to get to know each other. During the orientation, mentors filled in a three-page assessment form (from a first-meeting agenda) from informal interviews with participants to collect information such as their business ideas, current knowledge and aspirations. This information helped mentors tailor their strategies to teach and assist participants during the business skills training and mentoring.

**Business skills training.** Training on business planning, product development and branding, basic accounting, marketing and selling, and productivity was held twice a month for four months, for five hours per session (10am-3pm) to teach participants how to set up, manage and build their business. The training was facilitated by two trainers per session, supported by 12 mentors. Participants were divided into six groups (six to seven maximum per group), and each group is assisted by two mentors. The trainers and mentors were professionals with experience in creating and running a business. The trainers were responsible for giving the sessions and the mentors helped participants develop their business. The sessions were interactive, practical and hands-on. Four translators were required due to the multiple ethnicities of participants.

**English language training.** Because a refugee's proficiency in the host-country language is a key determinant of business success, the programme provided the participants with functional English language training. For two hours, twice a week, the training was conducted by dividing participants into five groups of eight, according to their level of proficiency and ethnic group. Each session was facilitated by five teachers. Levels of proficiency were identified as follows: Level 1 – unable to read, write, speak or comprehend English language; Level 2 – able to read, write, speak and comprehend English language on a very basic level; Level 3 – good command of English language.

**Business mentoring and provision of conditional grants.** Mentoring was offered for two hours per session (12pm to 2pm) once a week. The mentors met with their mentees to review their business progress in order to further teach and guide them in aspects of business building, marketing, productivity and finance; follow up with them on implementation of what they had learned at the business training and field trips – and to record all this on progress sheets; and produce weekly progress sheets on progress in terms of business sales, cost of sales, profit, cash flow, utilization of the business grant, record of receipts of expenditure, product development, reduction of debts, increase in savings, attitude and skill development, business development, marketing initiatives, bookkeeping and social media marketing, if possible.

During mentoring sessions, there were two mentors for six to seven mentees (in six groups). The allocation of mentees to groups was based first on ethnicity, to enable group interpretation; second on demographic location, to enable easier visitation by mentors; and third by type of micro-business, to enable more impactful mentoring by the subject matter experts. The first instalment of business grants was expected to be disbursed by the end of the

first month as participants were expected to have produced a business plan. Eligibility criteria for receiving the first grant instalment were as follows: participant has completed the functional literacy assessment; shows a viable business plan, including brief financial and marketing plan; and demonstrates accountability and commitment in running a business. Eligibility criteria for receiving subsequent grant instalments: participant has demonstrated sound financial management and documentation, and has managed to achieve the milestones set out for their business.

**Field trips and bazaars.** Each month the programme took the participants on a field trip to the marketplace to provide them with more exposure on how best to do business. The field trips were to the expat flea market, wholesalers, cold calling to the public and the wholesale market. Each month bazaars were organized to let the participants have hands-on experience in preparing, displaying, marketing and selling their goods.

**Facilitation in opening bank accounts.** The programme assisted participants in opening bank accounts by issuing a letter to the bank confirming the validity of the refugee. Eligibility criteria for receiving facilitation in opening a bank account were as follows: be a participant of the programme; and have established an operational business which generates not less than RM 500 a week. Subsequent to opening some accounts, the banks stopped all refugees from opening a savings bank account for the purposes of doing business. The refugees who were able to open accounts now face the risk of losing their hard-earned savings to theft and extortion.

**Provision of letter confirming practical work to be carried out in the marketplace.** The programme issued a letter for each participant confirming their participation in this programme and the fact that they need to carry out practical work in the marketplace (this is useful when they are stopped by the police or if they need to use it to gain market access with potential buyers of their products) – with the details of the programme's contact person.

### 2.4 Institutional setting

The responsible agency is UNHCR Malaysia, which contributed to the funding of this project. The designer and implementer of this project is NAWEM, the National Association of Women Entrepreneurs of Malaysia. Established in 1993, NAWEM is an NGO made up of women entrepreneurs, dedicated to nurturing the skills of women entrepreneurs.

The MED programme organized by NAWEM in 2015 was a five-month project to enable income generation among 30 households of Middle Eastern and African refugees. The intervention enabled 28 of the 30 participants (93 per cent) to start their enterprise while others have expanded their business. The courses and events took place at a venue which is best suited for the participants and the requirements. To improve the training, respondents suggested that the venue should be closer to their homes, as travelling long distances puts them at greater risk and takes time away from their duties at home.

As a result of this success, the programme was extended to an additional 78 refugees in 2016. This time, participants were mainly Rohingas and some Middle Eastern and African refugees. The 2016 programme once again produced positive results: 73 out of the 78 participants (94 per cent) who completed the programme established or expanded their business. Most of them are in the culinary business, while some are in gardening and landscaping, scrap metal recycling, fashion designing, tailoring, educational services or vegetable, chicken and fish selling. NAWEM also provided market access to the refugees by facilitating business opportunities through bazaars and social media marketing, which were publicized through its own business network. In 2017, the programme was extended to 40 refugees, 68 per cent Rohingas and 32 per cent non-Rohingas. Of these, 32 (84 per cent) are earning a sustainable income from their micro-business.

### 2.5 Funding arrangements

The funding was contributed by UNHCR donors. NAWEM contributed in kind with additional services and ad hoc requirements of the project. NAWEM also sourced some contributors for some additional expenses.

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## 2.6 Impact and results

- Between 2015 and 2017, 143 refugees participated in the programme, and 136 businesses were created.
- The survival rate of the entrepreneurial initiatives in 2016 was 79 per cent, meaning 21 per cent of businesses closed.
- Some 86 per cent of the refugees showed an increase in household income and an income level above the poverty line. Most of them run a home-based business or a mobile door-to-door business. However, only 43 per cent indicated that they are earning sufficient income to cover their basic needs.
- The self-employment rate is very positive (79 per cent), as 80 per cent of candidates were unemployed when they joined the MED programme in February 2016.

In terms of the efficacy of the training, application of knowledge and skills gained from the training were satisfactory, with most participants still using the skills occasionally in their business. English language skills has the lowest application rate. Usage of English is low as respondents do not have anyone to practice with after the programme ends. Many can also speak basic Bahasa Malaysia, and therefore they are able to navigate fairly well in Kuala Lumpur without using English. Furthermore, the majority of their customers are members of their own community or ethnicity. Mentoring or teaching in small groups was identified as effective in personalizing assistance based on individual needs. Exposing participants to real business environments such as through bazaars was an effective teaching methodology.

## 3. Analysis and discussion

### 3.1 Success factors and challenges

Key success factors:

- Empowerment of the POCs (persons of concern or refugees) to become entrepreneurs, using their existing talents, strengths and skills, rather than trying to match them with jobs that may not have the interest or skills to do
- The program provides not only the technical know-how, but also the soft skills to enhance, engage and empower the POCs so that participants remain inspired and motivated until they could stand on their own.
- MED's capability to issue letters for the POCs to open bank accounts, and to confirm their participation in the program and that they need to carry out practical work in the marketplace.
- Consistent mentoring by experienced entrepreneurs, which has helped the POCs take one step at a time, improving each step, as they implement what they learn at the training and set up and build their business.
- Capability to help place the POCs in jobs with MED's broad contact base

- Assistance to the POCs in creating their marketing tools such as business cards, flyers, Facebook pages for their business in English and in gaining experience selling to the local market.
- Increased revenue generation and greater confidence in the host country for each beneficiary. Female beneficiaries have been empowered to run their businesses from home, making them less reliant on their spouse as the main breadwinner, without the risk of neglecting their children or their family's well-being.
- Enhanced ability to speak with customers and thus increase sales – the ability to learn how to speak and understand the language, at least a bit, has increased their confidence and dignity as well.

Main challenges:

- To carry out all the steps and activities (interviewing, training, mentoring, coaching, support and tracking) as planned.
- To organise additional activities such as a field trip for market access and market experience, and a graduation ceremony with showcase, party and bazaar.

### 3.2 Replicability

The potential for replication is high. First, the initiative has been implemented since 2015 and has already had some concrete impacts and positive results. Second, NAWEM has in place all the guidelines, materials, and procedures for how to implement the project, which can enhance its replicability anywhere around the world.

With regard to the conditions and prerequisites of reliability, the following are important for the implementing organization:

- Should have a good project team consisting of trainers, interviewers, mentors, project director, project manager, project assistants, accountant and others such as cleaner, child carer and child educators.
- Must have or should create strategic partnerships with local organizations and businesses in order to assist with the business marketing and development for POCs.
- Need to identify a capable lead trainer responsible for the training and a lead mentor. This trainer and mentor must be an expert in entrepreneurship and must be well versed in dealing with and developing skills in refugees.
- Need to have a proper monitoring and evaluation plan in place so that the tools and timelines to monitor, track and evaluate the targeted objectives and intended impact are available from the start of the project.
- Need to have sufficient funding to ensure that all personnel and all aspects of the project are funded appropriately.

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## Case study No. 11 – The HOST Initiative, Nepal

### Success story



After working for two years in Malaysia, Ashok B.K., 36, returned to his home in Ranagaon, Tanahu district, immediately after the Gorkha earthquake in 2015. He had left for Malaysia due to the lack of decent employment opportunities at home, and to do this he had to take a loan of 135,000 NPR from a local moneylender.

His experience as a migrant worker abroad, from salary level to overall working conditions, turned out to be worse than he had expected, so he returned to Nepal. Ashok is now running his own furniture workshop in his village with his son-in-law and is also engaged

in livestock rearing, and he is happy to be back home. He shared that his dream of working in his own village came true with the opportunities created by the HOST programme in his village. Many migrants' families have become self-employed in their village through this programme.

With the establishment of homestay tourism services in his village, the demand for a regular supply of organic food, construction work, household appliances and furniture has significantly increased. Ashok convinced his son-in-law, Krishna Ghale, a skillful carpenter, to partner with him and open a workshop by jointly investing 35,000 NPR. Every homestay tourism service provider in the community has purchased beds and furniture such as dining tables, chairs and wardrobes for the homestays from his workshop, and the demand continues to grow. Likewise, they were also requested to provide carpentry support in rebuilding temples that were affected by the earthquake (most of the temples in Nepal have carved wood designs). Demand for their furniture has also started to grow in neighbouring villages.

Ashok said that although he is not offering a homestay tourism service yet, he has already benefited a lot from the programme. He has been part of the trainings conducted under the HOST project on hospitality management, cooking and organic farming, which have been extremely helpful. He wishes to start a homestay

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service once he has adequate savings to construct additional rooms in his house. He has already started constructing a toilet and a bathroom as per the homestay guidelines that have been circulated by the management committee.

When asked about seeking employment abroad, he said he would not go abroad again now. He has identified many new opportunities in his own village since the homestay services were launched, and his village has developed a lot – local authorities have started improving the roads, solar lamp posts have been installed by the HOST project, there is electricity in the village at night and waste management has improved. Ashok says ‘there are lots of opportunities and I would not think of migrating again’.

## 1. Basic information

### 1.1 Initiative

The HOST Initiative develops local homestay businesses for returned migrants and migrant families. Homestay is a residential accommodation concept in which guests live in a house with the host family, promoting interaction between tourists and the local culture. The homestay business concept is not new in Nepal; it is a tourism promotion practice that has been supported by the Nepalese Government since 2010.<sup>50</sup>

**1.2 Country and locality** Kaski district, Nepal – an area with several tourist attractions and homestay businesses

**1.3 Time of implementation** 2015–2016. After this period, the project was phased out but the homestay business has continued to run

**1.4 Implementing organization(s)** IOM, Asian Forum (an association of migrant returnees) and local communities

**1.5 Nature of the implementing organization(s)** International organization, local organization and NGO

## 2. Description

### 2.1 Objectives

Nearly half of all Nepali households have at least one family member either currently abroad or living in Nepal as a returnee, according to a survey by the Nepalese Government in 2011. Returned migrants find it difficult to reintegrate into society and to turn their remittances into productive capital. The challenge to utilize remittances productively is also faced by migrants’ families. Starting small businesses can be an avenue for the investment of these remittances, but in reality economic opportunities in Nepal are limited. For one tribe in particular; the Dalits, the challenges are much bigger due to social relations. Considered the lowest caste in Nepalese society, returned Dalit migrants find it much harder to reintegrate into society and be economically empowered.

The HOST Initiative helps Nepalese returned migrants and families of migrants in two villages (Kalabang and Ranagaun Bhalanda, both in the Kaski district) to open a homestay business. Their ultimate goal is to expand avenues of income generation for these returned migrants and their families, while promoting social cohesion.

### 2.2 Target groups

Returned migrants and migrant families

### 2.3 Approaches and activities

HOST provides capacity-building related to the hospitality business. This includes trainings and workshops related to core hospitality business (such as sanitation and cooking) and a variety of tourism-related trainings that can expand the services offered by homestay operators, and that can become income-generating activities (such as organic farming, tourist-guide training and coffee growing).

For these trainings, various civil and professional groups have participated as trainers. They include the Trekking Agencies’ Association of Nepal, the Hotel Association Nepal, Restaurant and Bar Association of Nepal and the Village Tourism Promotion Forum Nepal (VITOF – Nepal). Civic communities, such as youth groups and school volunteers have also participated in some projects such as environmental, waste management, conservation and cultural activities.

At the beginning of the project, implementers conducted a baseline survey which assessed sociodemographic aspects, migration dynamics, local economy, livelihood options and the interest of potential participants in the

targeted villages. This helped them to identify potential beneficiaries and to shape their approach. To promote the programme, implementers set up information centres where interested members of the local community could learn more about the initiative, and information campaigns were conducted (this included going into town hall meetings and speaking to the local communities about the programme).

Once potential households were identified, the implementers selected the first hosts according to a set of criteria and operational guidelines that they had developed. The first cohort of eligible hosts was composed of 29 households in the Kalabang and Ranagaun Bhalanda villages, which are home to many returnees and migrant families.

For operations, a cooperative-like structure was established. A committee (officially called the Homestay Management Committee) was created for managerial control and coordination among the homestay operators. The committee is tasked with allocating guests (while ensuring that all households have equal opportunity) and managing the revenues generated. The committee is composed of senior and influential leaders and homestay operators, assigned the task of operating information centres, organizing trainings and coordinating with subcommittees.

In addition, an advisory group was set up to provide support to the committee, and to liaise with local and national authorities. Advisory groups are composed of local authorities, senior and influential leaders in the community, chairpersons of Homestay Management Committees and the Kalabang women’s subcommittee. They link homestay initiatives to overall community development, for instance by allocating certain funds for education, community development and tourism promotion that enable the benefits of the homestay initiatives to spread to the whole community.

### 2.4 Institutional setting

The programme design was led by IOM, while the implementation was carried out by Asian Forum – which is also the implementing partner for similar HOST initiatives in other countries – with the cooperation of the local government of Kaski district.

### 2.5 Funding arrangements

IOM is the source of finance.

### 2.6 Impact and results

- The homestay business has generated earnings. In the course of one year, 29 households participated in Kalabang and Ranaguan towns. Each household hosted 12 to 14 guests. As a result, there was a steady rise in household income, with each participating household making approximately Nr 12,000–14,000. The demand for homestays increased, as noted by the Homestay Management Committee. Towards the end of the project, some clients had to be turned away as all rooms were already occupied.
- A gradual change in social cohesion has been observed, as participants who were previously discriminated against have increasingly become part of community life.
- HOST beneficiaries have started to contribute to local development. They have been encouraged to commit a portion of their profits to the development of their communities, such as to improve local infrastructure and schools.
- The new earnings from the homestay business have also supported changes in the community’s well-being. For example, more people in the community have constructed appropriate latrines and bathing spaces. They have become more concerned with improving waste management.
- Another social impact is that the traditional division of labour between men and women has begun to shift, with men engaging in activities traditionally

considered to be the chores of women, such as cooking, cleaning and house maintenance.

### 3. Analysis and discussion

#### 3.1 Success factors and challenges

Key success factors:

1. Including all parts of the community. First, the management committee, which is composed of local leaders, ensures that the initiative is credible. This committee also helps to ensure the sustainability of the initiative by helping to prepare local institutions to continue the business model even when the HOST intervention is phased out. Second, the project actively promotes social cohesion; for example, by allowing the families of migrants to be hosts and by providing opportunities for Dalits and non-Dalits to interact better. Third, the skills of returnees, such as carpenters, plumbers and electricians, are used to help hosts improve their homes.
2. Setting detailed quality standards for hosts. For example, to specify the necessary type of latrines, size of bedrooms and cleaning schedule.
3. Providing training and workshops that are directly relevant to the core business, e.g. on topics such as hygiene, cooking, tour-guide training and farming. This markedly improves the quality of homestay operations. Opportunities for continuous learning have been effective in retaining members. This is reflected in a low dropout rate and an increasing number

of newcomers and return migrants interested in becoming hosts.

4. The profitability of the homestay business. This has been the biggest motivation for beneficiaries to join and actively participate in the initiative.

Main challenges:

1. Recruiting the first hosts. In order to successfully recruit the first cohort of hosts, the implementing organization actively engaged in local events and activities. For example, implementers attended the town meetings that the community holds twice a week. They also established an information centre in the two towns, where interested community members could go to learn more about the initiative.
2. Changing social norms. Regular interaction between host members, as well as cultural awareness campaigns, helped to overcome the stigma that Dalits face.

#### 3.2 Replicability

The HOST Initiative has high replication potential in localities which can attract tourists. The community business model works best in a smaller locality, where quality interactions between beneficiaries can happen. Close interactions are particularly important in the hospitality business, due to the required levels of quality control. These mechanisms for close interactions may be especially beneficial in other heterogeneous communities where social cohesion is low.

## Case study No. 12 – Business Development Centre (BDC), Jordan

### Success story



The project reached out to 650 Syrian refugees and Jordanian women in Mafraq. It formed seven group micro-businesses with Jordanian and Syrian partnerships providing maintenance services, which developed plans and obtained funding to establish themselves in the Mafraq market. Ruba Khaled Al Abdallah is one of the female Syrian refugee participants who got certified.

“The workshop concentrated on many issues which are important to women. I learned to increase my self-confidence and never give up. I also realized the importance of teamwork with my Jordanian and Syrian peers”.

### 1. Basic information

**1.1 Initiative** Skills Exchange Between Jordanians and Syrian Refugees in Mafraq Governorate

**1.2 Country and locality** Mafraq, Jordan

**1.3 Time of implementation** 9 months

**1.4 Implementing organization(s)** UNDP with the support of the Business Development Centre (BDC)

**1.5 Nature of the implementing organization(s)** International organization and NGO

### 2. Description

#### 2.1 Objectives

This programme offers life skills and technical and vocational training and entrepreneurship for both refugees and the Jordanian population, with the aim of increasing social cohesion in host communities and building skills.

Specifically, the programme aims to

- ensure that refugees are fully able to avail themselves of a durable solution.
- support socioeconomic development in host communities that will benefit both the host and refugee populations.

The nine-month project was executed in three municipalities in Mafraq governorate: Za'tari, Bal'ama and Southern Suburb of Greater Mafraq,

targeting 300 young men and women, to generate employability and entrepreneurship solutions.

#### 2.2 Target groups

Jordanians and/or trained Syrian refugees

#### 2.3 Approaches and activities

UNDP has developed a “3x6 approach” which uses skills, resources and local expertise to support crisis-affected people in becoming financially independent, contributing to local economic recovery and facilitating the transition from an emergency response to a sustainable development path.

The 3x6 approach has been identified as a good-practice model to operationalize the three-track approach of the UNDP Guide on Livelihoods and Economic Recovery in crisis and post-crisis contexts. The approach is based on three organizing principles – inclusiveness, ownership and sustainability – and comprises six discrete steps: enrolment, rapid income generation, savings, joint-venturing, investing and expanding markets.

The programme in Jordan adopted a train-the-trainer approach, whereby Syrian refugees were trained through workshops to be trainers themselves. The programme facilitated skills exchange between the trained Syrians and vulnerable Jordanians, in order to help the Jordanian beneficiaries create sustainable livelihoods opportunities using entrepreneurship skills and micro-business development.

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In return, Jordanian participants supported Syrian refugees in gaining a sense of safety and security, and helped to strengthen social cohesion between Syrian refugees and Jordanians in hosting areas.

Programmes offered by BDC Jordan are the following:

Youth Employability & Empowerment Programme builds the life skills and employability of Jordanian and Syrian students and graduates to prepare them for entering the workforce. BDC has a number of modules that can be included in the programme to ensure community empowerment and social cohesion, in line with host community needs.

Vocational Entrepreneurship Programme empowers Jordanian and Syrian women and men as trainers, mentors and facilitators in developing diverse and innovative product lines, to support local economic development and in response to municipality needs. In addition, this program “reserves a seat” in markets for women business owners and creates backward linkages.

SwitchMed Green Entrepreneurship Programme is ideal for responding to water sanitation, energy and health care project demands at the community level. The program has the capacity to produce green entrepreneurs within the host community as Jordanian nationals and Syrian refugees build group community projects using the green entrepreneurship business model methodology.

Entrepreneurship Technology Workshop equips Syrian refugees and Jordanian nationals with entrepreneurship competencies to prepare participants for self-employment, in correspondence with the decision for Jordan to support Syrian refugees working in Jordan.

Maharat Volunteers is a large alumni group of Jordanian youth leaders who volunteer as part of Maharat Community, running mini-projects and activities in their local communities

## 2.4 Institutional setting

Funders of the programme were the European Regional Development and Protection Programme in collaboration with the World Food Programme and the National Microfinance Bank.

## 2.5 Funding arrangements

- Created 300 short-term employment opportunities and developed economic recovery initiatives geared towards improvement of livelihoods and basic social services delivery
- Created a pool of 100 highly skilled vocational Syrian trainers able to transfer their knowledge to others
- Enhanced local economic development through skills-matching, MSMEs’ growth and capacity development

- Boosted income support and skills for 100 Syrian refugees in preparation for return to Syrian Arab Republic
- Improved Jordanians’ employability skills and micro-business development
- Strengthened social cohesion by linking Syrians and Jordanians with skills exchange and mentoring programmes
- Developed hands-on vocational and technical curricula for skills exchange programmes

## 2.6 Impact and results

The European Regional Development and Protection Programme is a four-year, multi-donor European initiative. Currently eight donors support the Regional Development and Protection Programme: the EU, Ireland, the Netherlands, the United Kingdom, the Czech Republic, Switzerland, Norway and Denmark. Denmark manages the programme, which has a budget of €41.6 million. UNDP provided seed funding for the successful and feasible business ideas.

## 3. Analysis and discussion

### 3.1 Success factors and challenges

Key success factors:

- The programme has equipped highly skilled Syrian refugees with training techniques to transfer their knowledge to Jordanians in the workplace
- The program has developed training environments and sites within community-based organizations and the private sector for facilitating vocational skills exchange between Syrian refugees and Jordanians
- The programme has the potential to be scaled up, taking account of sector demands by population and location
- The programme has developed a matchmaking/mentorship process for pairing Syrians with Jordanians based on skill sets

Main challenges:

- Three times as many people applied as there were places available, which meant that some applicants were not given the opportunity to participate, although they were referred to other programmes.
- The programme was not adopted by the government to enable nationwide skills transfer in sectors where it is needed.

### 3.2 Replicability

The BDC aims to extend this project in other host communities across Jordan, focusing on specific vocational sectors for private sector human resources development and boosting social cohesion and employability for Syrian refugees and Jordanians. Moreover, the project can be replicated in Lebanon and Iraq.

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## Case study No. 13 – Buzurna Juzurna, Lebanon

### Success story

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**Salem**, one of five managers of the farming collective Buzurna Juzurna, has a long history of dealing with heirloom seeds and organic techniques. Growing up in Daraya, Syrian Arab Republic, he and his 10 brothers come from a long line of seed collectors. His grandfather owned a seed storage house, which his family would fill with plants from around the region. However, the conflict in the city over the past few years has devastated Salem's hometown. A moment after Salem went quiet talking about the destruction of his grandfather's storage house, he smiled with excitement over his newly grown and eponymously named Tomato Salem. "I sent it to my brother...they are making their own selection [in Syrian Arab Republic] because it is such a good tomato!" The farm has already seen significant growth in its short lifetime. "There is so much power in one seed!" says Salem.

### 1. Basic information

#### 1.1 Initiative

Buzurna Juzurna ("Our seeds are our roots") is a young network based in Lebanon, born of the "Aid al-Bouzur" conference on agriculture held in Taanayel in 2016. It gathers people from different nationalities (Syrian, Lebanese, European) and backgrounds (farmers, agricultural workers, gardeners, NGO members), around a common goal of preserving one of humanity's most important common goods: heirloom seeds. Buzurna Juzurna was born out of a previous initiative, led by an international group, which distributed seeds in the spring of 2016, for planting and reproduction in several Syrian refugee camps and on six Lebanese organic farms. During this first seed cultivation campaign, information on cultural agro-ecology and seed reproduction techniques was also disseminated to each participating garden. Buzurna Juzurna's business idea is the development of an organic farm, including a production unit and training unit.

**1.2 Country and locality** A farm in Saadnayel, Zahle District, Beqaa Valley – 900 metres above sea level

#### 1.3 Time of implementation

The farm started in May 2017 with a US\$65,880 fund received from Orient Helper. But the initiative was built on experience gained through a previous project implemented successfully in 2015 and 2016 in the Beqaa Valley (Beit al Bouzour in Deir Taanayel, and micro-gardens in informal settlements for Syrian refugees). COSV ensured the viability of the farm by providing technical and financial support to sustain both the production unit and the training unit.

#### 1.4 Implementing organization(s)

Buzurna Juzurna, the main implementing organization, has been supported since its beginnings by an international network of seed farmers, individuals and organizations that support its goals (Longo Mai, RSP, Inf'OGM, Peliti, Via Campesina, UAWC). They bring technical expertise about organic cropping and seed production, seed samples of heirloom varieties, technical documents and some financial support. Buzurna Juzurna is offering a collection of 300 heirloom varieties of vegetables, a team of experts ready to put their knowledge and energy into this business and a network of farmers, as well as workers and customers.

Amel Association International is a Lebanese non-sectarian NGO created in 1979. Amel has worked through 24 centres, 6 mobile medical units, 1 Mobile Education Unit and 1 Protection Mobile Unit for more than 35 years in the poorest regions of Lebanon, from Beirut and its south Suburbs to Mount Lebanon, Beqaa and south Lebanon. Amel offers accessible services for all in the following fields: medical care, psychosocial care, professional training, rural development, child protection and human rights promotion. Amel played the role of an umbrella structure or business incubator for Buzurna Juzurna for the first months of the project, until Buzurna Juzurna finalizes all the administrative procedures with the Lebanese authorities.

Coordinamento delle Organizzazioni per il Servizio Volontario (COSV) is an Italian non-profit voluntary organization involved in international cooperation. In line with COSV's strategy to foster social entrepreneurship in the MENA region and in accordance with the EU "Madad" Trust Fund (EU Regional Trust

Fund in Response to the Syrian Crisis) framework, COSV provides financial and technical support to Buzurna Juzurna as part of a pilot programme designed to serve two purposes: (1) to test out preliminary research findings and identify what works best, and (2) to help impoverished youth from refugee and vulnerable host communities generate income for their livelihood.

**1.5 Nature of the implementing organization(s)** Social enterprise

### 2. Description

#### 2.1 Objectives

Overall objective:

- Establishing an organic production unit using exclusively heirloom seeds and organic farming techniques (natural fertilizers and pesticides) that generates stable income through the production and sale of heirloom seeds, seedlings, fresh vegetables, processed food and organic fertilizers
- Strengthening the organic farming sector in Lebanon by producing good-quality seeds and seedlings, experimenting with varieties and techniques, sharing knowledge and good practices, and promoting and developing a market for organic products (through networking and events organization)
- Improving the resilience and food security of vulnerable populations affected by the Syrian crisis through the opening of an organic farming school that will provide intensive training on organic farming, awareness-raising sessions for local communities and a short implementation training for visitors, local professionals, students and public schools.

Specific objectives:

- Development of an organic production unit
- Opening an organic farming school in Beqaa region
- Awareness-raising among local communities
- Fostering bridges between people of different socioeconomic backgrounds
- Networking through organic value chain actors to strength the sector and boost the image and market of organic products

#### 2.2 Target groups

1. Use of seeds and seedlings will be targeted mainly at organic certified farms and other potential interested farmers.
2. Fresh vegetables and processed products will be targeted at the local market in the Beqaa and Beirut regions.
3. The organic school will be targeted mainly at students from schools and universities, Syrian workers and Lebanese farmers interested in such training.

#### 2.3 Approaches and activities

Members of Buzurna Juzurna are constantly in contact with an international support network. They have visited seed farms and seed banks since 2015, and have attended many trainings related to organic production and seed extraction. They are able to rely on these sources of expertise for any technical assistance.

Thanks to its almost 40 years of experience, Amel can support Buzurna Juzurna with legal and financial guidance, as well as dedicated training and capacity-building sessions. Amel conducts weekly monitoring visits during the

implementation of the project in order to assess progress. A checklist enables an efficient weekly monitoring protocol. As for the financial component, Amel's finance officers are auditing the partners' accounts and performing on-site visits as well. Globally, Amel applies the same standards to its partners as the ones Amel itself complies with. Amel involves its local partners in project management and decision-making processes and requests that its international partners also achieve the same level of involvement.

#### 2.4 Institutional setting

Because Buzurna Juzurna is currently registering as an NGO, Amel is acting as an umbrella organization to receive, monitor and mentor the implementation of activities funded by COSV.

#### 2.5 Funding arrangements

The farm was started up in May 2017 with US\$65,880 received from Orient Hefler. COSV ensured the continued viability of the farm by providing US\$29,000 in October 2017.

#### 2.6 Impact and results

The farm activities directly address the lack of qualified organic farmers in the Beqaa region and the lack of awareness of organic farming issues among local populations. The project is addressing these gaps by providing training on organic agricultural techniques as well as awareness-raising sessions delivered in informal settlements in the region. These have had a direct impact on the lives of these families, as they have been enabled to start their own micro-gardens using organic techniques.

Outcomes from the production unit during October and December 2017:

- 60 vegetable boxes sold in Beirut and Zahle
- 75 glass jars of processed foods produced from the farm
- 125 bottles of biopesticides distributed to informal settlements
- 25 days of awareness sessions in informal settlements for a total of 75 families

The groups that benefited the most from the project:

- 75 vulnerable households living in informal settlements in West Bekaa, which benefited from heirloom seeds, seedlings and technical expertise
- More than 200 customers, who benefited from organic products and processed foods

- 10 vulnerable Syrian and Lebanese (former trainees), who benefited from follow-up sessions and train-the-trainer support
- 7 people (Syrian, Lebanese and international), who were hired and supported by the project
- former trainees, who earned income as trainers
- 1 former trainer, who was hired as a fieldworker in organic agriculture

### 3. Analysis and discussion

#### 3.1 Success factors and challenges

Key success factors:

- The project focuses on an emerging niche market (organic seeds and seedlings). No other actor currently sells locally grown organic seeds and seedlings in Lebanon.
- All certified organic farms in Lebanon will be obliged to buy Buzurna Juzurna seeds, as the regulation insists on using certified organic seeds and seedlings that are not yet available elsewhere in Lebanon and farmers otherwise have to import these seeds at a higher cost.
- The project is supported by a large network in Lebanon and Europe, which is a strong asset since it provides expertise, equipment and connections to local businesses and farmers as well as to NGOs that are working on gardening projects in the field.
- The project was built on experience gained through a previous project that was implemented successfully in 2015 and 2016 in the Bekaa Valley (Beit al Bouzour in Deir Taanayel).

Main challenges:

- Include the viability of the forms on the long-term.

#### 3.2 Replicability

The potential for replication is high. First, the initiative has been implemented at a smaller scale in 2015 in Taanayel in the Beqaa. On the basis of that experience and with the support of local and international organizations, Buzurna Juzurna replicated and scaled up its initiative on the Saadnayeel farm. So far, the farm has demonstrated a lot of potential for growth. The main foci now are to maximize the farm's efficiency as well as providing the necessary support to members of their network and to trainees at the organic school who want to replicate the farm model. It is expected that in three years' time, the farm should be able to replicate and scale up its activities to other regions of Lebanon.

## Case study No. 14 – I Love Syria, Syrian Arab Republic

### Success stories



On the first day of a training workshop on bracelets at a shelter, **Wardeh** and **Amineh** earned cash. They rushed out of the workshop to buy meat for the first time in 11 months.

As a schoolteacher, **Nariman** earned LS 23,000 (about US\$50). After learning how to make the I Love Syria crochet bag, she started earning four to five times more – which is 50 per cent more than what a university professor earns in Damascus. She was able to help her family rent an apartment.

**Rawan** earned US\$1,000 by training other internally displaced women in Lattakia.

**Illiterate women in Sweida**, who made less than US\$1 from all-day work at local merchants, appreciated the opportunity to earn more than what they had ever dreamed of.

#### 1. Basic information

1.1 Initiative I Love Syria

1.2 Country and locality Syrian Arab Republic, Damascus, Lattakia and Sweida

1.3 Time of implementation 2012–present

1.4 Implementing organization(s) DamascusConcept (since 2013)  
Made by Women Association (since May 2017)

1.5 Nature of the implementing organization(s) Social enterprise

#### 2. Description

##### 2.1 Objectives

To improve the livelihoods of internally displaced women in the Syrian Arab Republic by providing them with income-generating opportunities



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## 2.2 Target groups

Internally displaced women with no traditional craft skills who are willing to learn in order to earn an income

## 2.3 Approaches and activities

"I Love Syria" is the name of handicraft and jewellery products that are made by displaced Syrian women. The products are mainly sold online and through events. Since the beginning of 2016 the initiative has started promoting the products directly to the international community in Geneva through events supported by the International Trade Centre (ITC), such as the ITC e-commerce souk, a pop-up stand at the Fête de Genève and the Geneva Peace Week.

Given that the target beneficiary group has no skills or experience in traditional crafting, the initiative begins with free workshops in shelters. These workshops teach them to craft bracelets (which takes about a week to learn) and crochet bags (which takes about two months to master). When a product is finished during the workshops, the crafters get paid in cash on the spot. Trained crafters can earn US\$100–250 per month.<sup>51</sup> Most crafters gather at a workspace provided by the initiative. Those who have mastered how to crochet the I Love Syria bags can work at home. They bring in the finished bags once a week and take away raw materials with them to continue production.

Beneficiaries are also provided with training in business skills related to the manufacture and sale of their crafts. Topics include packaging, labelling, the digitization of product catalogues and sales and promotion. Following these sessions, several crafters have been trained to become the initiative's trainers.

## 2.4 Institutional setting

The initiative has been implemented by Rania Kinge, a Syrian-born Swiss designer, through her social enterprises: DamascusConcept (registered in Syrian Arab Republic in 2013 and also in New York, to enter the United States market) and Made by Women Association (registered in Switzerland in 2017). Since 2016, ITC has supported this initiative under the ITC e-Solutions Programme, to demonstrate how digital tools can generate market opportunities for internally displaced women in Syrian Arab Republic.<sup>52</sup>

## 2.5 Funding arrangements

Prior to 2017, the initiative had been financed entirely by the founder's investments, loans and proceeds from the product sales. About 70 per cent of the proceeds from sales are reinvested in the initiative.

The first donation of about \$60,000 from ITC and the Government of Japan will cover most of the training and the cost of raw materials spent by the initiative in 2017.

## 2.6 Impact and results

- More than 130 women have been trained: The initiative started in 2012 with six women from a shelter. The number of trained women grew from 8 to 12 in 2013–2014 and from 18 to 20 in 2015–2016. Many have since moved out of temporary shelters. In 2017, following the first donor commitment, the initiative's new group of trainers trained more than 100 new women in Lattakia and Sweida.
- Recognition by TEDWomen: Two entrepreneurs in the initiative were selected as among the 10 most active female entrepreneurs working with refugee or internally displaced women in the hardest-to-reach communities in the world at the 2017 TEDwomen Global Showcase event in New Orleans, Louisiana.<sup>53</sup>
- New business channels in developed countries: Since July 2017, the I Love Syria products have been sold at a well-known department store in Tokyo. A temporary showroom in Geneva has been in operation since the end of 2016.

## 3. Analysis and discussion

### 3.1 Success factors and challenges

Key success factors:

- The manufacture of high-quality products which appeal to international markets.

- Partnerships with international organizations, which have helped to build the brand ("Working with the UN, the brand has become an example of a successful e-commerce business in a conflict zone")<sup>54</sup> and have provided the technical support necessary for overcoming the difficulties of operating in a conflict zone.
- Positive international media exposure, which has enhanced the enterprise's visibility and sales.

Main challenges:

- Difficult working conditions, such as power outages (or lack of power supply) and unstable access to the internet. Irreplaceable pieces of information were lost when a rocket hit the initiative accountant's computer and the initiative's workspace for designing prototypes.
- These working conditions had implications for the types of product that participants could make. The women crafters mainly live in shelters, have very limited resources and work under difficult conditions. This was an important factor to consider in the product design process: the implementing organizations had to find ways to create products that can be made even with the most limited resources, such as without electricity.
- Economic sanctions and logistical issues: Transporting goods into and out of Syrian Arab Republic is expensive and difficult to arrange. The most difficult operations are importing inputs, exporting final products, making and receiving international payments, and withdrawing cash to pay crafters. All business dealings and transactions need to go through Beirut, which requires hiring a driver with a vehicle. The international sanctions also affect digital tools, restricting the initiative's online sales (e.g. PayPal) and marketing activities through social media platforms (LinkedIn, Etsy and Facebook).
- Social norms that inhibit women's independence and mean that young crafters often receive little support from their families to continue taking part in the initiative. The programme suffers from the stigma that women are less capable of being entrepreneurs.

### 3.2 Replicability

Replicating a project within a conflict zone is a challenge, particularly for small-scale, individual implementers who lie outside of the more established institutions. However, there is demand for the replication of the I Love Syria initiative. Following the release of an article in an Arabic magazine, *The Al Ghad*, in the summer of 2017, the initiative received many messages from women all over Syrian Arab Republic (for example, in Aleppo, Homs and Tartous), as well as in Greece, Iraq, Jordan, Lebanon and Turkey, requesting a similar initiative in their community. If sufficient donor support is secured, ITC may assist the replication of the initiative in Iraq and Lebanon.

If such an initiative is to be replicated, one of the most important prerequisites is access to raw materials. In conflict areas, confiscation of materials at checkpoints can pose a challenge. One recommendation is to make an arrangement such as a special permit that would allow the transportation of the materials used for production activities.

The sustainability of similar projects depends on securing a long-term or stable flow of purchase orders. In order to scale up the initiative's operations (i.e. to train more women without reducing their earnings), it will be necessary to secure contracts from major international retailer.

Finally, international sanctions remain the most difficult obstacle to overcome. International sanctions mean that even a well-designed website will not generate sales. To implement a similar project in other locations in Syrian Arab Republic, the attainment of an OFAC (United States Office of Foreign Asset Control) licence is therefore imperative. This licence allows Syrian-based entities to trade with foreign suppliers and customers and to expand their options for online sales, using PayPal and other payment systems, including money transfers to Syrian Arab Republic.

## Case study No. 15 – IMECE, Turkey

### Success story



**Mohammad Kawsara** is a Syrian refugee. As a software developer, he faced some difficulties in the Turkish job market when he came to the country, although he also witnessed an increasing demand for highly skilled developers. In the refugee community, there was a skill mismatch and he saw that good developers worked in low-skill jobs. With support from the IMECE Initiative, therefore, Mohammad has developed an internet-based job platform called Ejad Job that connects Turkish companies and organizations with Syrians and other refugees, especially skilled developers who can work in Arabic, Turkish and English interfaces.

"I have increased my knowledge of business at the IMECE entrepreneurship training sessions. After the training, I had adjusted my path and widened my vision. What was really great is the financial grant. I needed this small amount of money in order to register and start my business", say Mohammad.

Source: Habitat.

### 1. Basic information

**1.1 Initiative** Livelihoods Programme Targeting Youth Empowerment, Vocational and Entrepreneurship Skills Building and Business Creation

**1.2 Country and locality** Turkey

**1.3 Time of implementation** 1 September 2016–present

**1.4 Implementing organization(s)** Habitat, a Turkish NGO with 20 years of experience in community empowerment and working with disadvantaged groups

**1.5 Nature of the implementing organization(s)** NGO

### 2. Description

#### 2.1 Objectives

The initiative aims to support the refugee community as well as local underserved populations across Turkey in an inclusive way in business creation, job creation and labour-force participation.

In particular, the initiative aims to economically empower Syrian refugees in Turkey, reducing their dependency on aid through the provision of appropriate entrepreneurship training and skills development services, knowledge and financial support, social integration and networking opportunities, and continued technical assistance.

#### 2.2 Target groups

The initiative targets the refugee community and local underserved populations, with a particular focus on the more than 4,000 Syrian refugees living in various camps across 14 cities in Turkey.

The initiative is implemented in partnership with local municipalities, companies and other NGOs. These implementing partners help reach the target groups. Habitat also does outreach work through Turkish media and social media (Facebook) for promoting the project and attracting the attention of target groups.

#### 2.3 Approaches and activities

The initiative supports vulnerable refugees in regaining their belief in their capabilities, learning new skills and earning a livelihood in a dignified way. The implementation focuses on achieving multiple goals:

- Reduce vulnerability, insecurity and exposure to exploitation among Syrian refugees by increasing their self-reliance.
- Develop the entrepreneurial skills of Syrian refugees and initiate the process of their entrepreneurial venturing.
- Support a culture of cohesion and mutual respect between the host and refugee communities through business activities and relations.
- Ensure programme sustainability for refugees and host populations in Turkey, and create a foundation for replication to future locations.

The initiative comprises four major interrelated activities:

1. Vocational Skills Building Programme
2. Entrepreneurship Support Programme
3. Employment Support Programme

#### 4. Youth Empowerment Programme

Activity 2 is specifically about entrepreneurship support. In cooperation with UNHCR, Habitat builds a business creation, capacity-building and entrepreneurship programme for the Syrian refugee community. The programme provides key resources to targeted participants, equipping them with important tools and core competencies to start a business in Turkey. It also offers financial grants, which are essential for the creation and expansion of businesses. The other three activities are closely related to entrepreneurship support. For instance, they provide consultation on such issues as work permit application, which are very important for refugees' business development in Turkey. Entrepreneurship training is a major part of the initiative. The trainers are from Habitat and its partners, which are mainly entrepreneurship support organizations. Habitat organizes train-the-trainer workshops in order to guarantee the quality of training.

The training aims to help participants acquire skills needed in the four stages of entrepreneurial venturing: orientation, idea generation, enterprise creation and market growth. It lasts 10 weeks and is offered for free. Each session has about 40 participants. The contents of the training include three main topics:

1. Start-up ecosystem and entrepreneurship opportunities
2. Developing new business ideas
3. Preparing the business plan, marketing plan, financial plan and pricing strategy

#### 2.4 Institutional setting

The leading implementation agency of the project is Habitat. UNHCR provides funding, monitoring and support for implementation. With regard to entrepreneurship training, Habitat manages outreach, selects the participants, organizes the training sessions and monitors the certification processes. It is also responsible for connecting the trainees with the entrepreneurship ecosystem of Turkey. Concerning the provision of grants, Habitat is responsible for the outreach, the selection of grantees, and the management and monitoring of grant; the grants are given from the UNHCR account.

Habitat adopts a multi-partnership approach with a series of local stakeholders, such as municipalities, companies and other NGOs, for the implementation of the project. Partnership is one of the core principles of the initiative. Habitat convenes internal and external stakeholders to identify livelihood support opportunities and jointly develop a strategic plan; it ensures the implementation, monitoring and evaluation of the strategic plan; and it draws on the strengths of different partners and stakeholders, including development partners, private sector institutions and community representatives.

#### 2.5 Funding arrangements

The funding is from UNHCR, renewed on an annual basis. The amount of funding for 2017 was \$1.8 million for a period of a year.

The costs for the training activities, including the payments and the costs of travel, accommodation and food for the trainers, and the grants provided to the selected beneficiaries are covered by the funding from UNHCR.

## 2.6 Impact and results

- By the end of 2017, the total number of participants will reach 5,000, with 100 grants offered and 80 new businesses created.
- Participants have benefited in developing their entrepreneurial attitude, motivation and skills and in improving their economic integration in the host country.
- The initiative has enabled refugee entrepreneurs to start and sustain their own businesses, and create jobs and therefore contribute positively to their local communities.

## 3. Analysis and discussion

### 3.1 Success factors and challenges

Key success factors:

- The strong connections of Habitat in the Turkish entrepreneurship ecosystem
- A clear mission to create Syrian and Turkish co-funded businesses by linking Syrian refugees with the Turkish entrepreneurship ecosystem.

- Support from national government policies and development strategies.

Main challenges:

- Language barriers at the beginning of the project, which have been overcome through providing training in both Arabic and Turkish,
- The need to renew the project on a yearly basis, and
- Related bureaucratic processes and costs.

According to the interviewee, the programme is more cost-effective than traditional humanitarian projects that do not promote self-reliance among beneficiaries.

### 3.2 Replicability

Programme sustainability and replication represents one of the four primary programme goals, established in the initiative's design phase. It is expected that the initiative has high potential for replication in more cities in Turkey and in other countries, and that Habitat will develop a replicable model by the end of 2018, following a process of continual learning and improvement.

# Case study No. 16 – IOM Livelihoods Assistance Programme, Turkey

## Success story



Fifty-year-old **Wahda** received a tailoring toolkit. Since her husband's death 10 years ago, she has been the sole provider for her five children and worked as a professional tailor in the Syrian Arab Republic.

"For the last few months, I had been working in a sewing workshop here in Turkey, but the income was barely enough for the rent, let alone for food for all of us", says Wahda. "Now, I have my own sewing machine and everything I need to work from home. In the same amount of time, I can probably make four times what I could before."

## 1. Basic information

### 1.1 Initiative

IOM in Turkey has two broad types of activities which deal with the Syrian refugee crisis. The first is migration management (conducted in the Syrian Arab Republic). The second is refugee response (conducted in Turkey). Refugee response programmes include shelter, rehabilitation, food, health and education programmes, as well as the Livelihoods programme. The Livelihoods programme also exists in IOM's other countries of operation, where the types of activities vary depending on local needs and resources available. In Turkey, the Livelihoods programme has three activities, two of which are directly relevant to entrepreneurship:

1. Job placement
2. In-kind grants
3. Entrepreneurship training and grants

**1.2 Country and locality** Turkey (launched in April 2016 in Gaziantep, Sanliurfa and Hatay provinces; currently has activities in Istanbul and Izmir)

**1.3 Time of implementation** 2016–present

**1.4 Implementing organization(s)** IOM

**1.5 Nature of the implementing organization(s)** International organization

## 2. Description

### 2.1 Objectives

Under a Turkish regulation passed in 2016, Syrian refugees are granted the status of Syrians under Temporary Protection instead of as refugees or asylum seekers. This allows those who are registered with the Directorate General for Migration Management to access the formal labour market and to start a business. This regulatory shift set an enabling environment in which IOM can

launch its Livelihoods programme, with the main objective of supporting the livelihoods and building the resilience of Syrians under temporary protection in Turkey.

### 2.2 Target groups

Syrian refugees in Turkey

### 2.3 Approaches and activities

#### Job placement

In September 2016, IOM launched a pilot job placement project to match skilled Syrians (e.g. accountants, engineers, technicians) with employment opportunities within Turkey. To date, eight Turkish companies in Southeastern Turkey have committed 57 positions for Syrian candidates. Some companies are hesitant to employ refugees owing to the uncertainty of their length of stay in Turkey. To deal with this issue, IOM put in place several incentives, which include IOM assisting in the work-permit process, covering work permit fees, and 50 per cent of the salary and social security costs of the employee for one year. In return, the company committed to cover the remaining salary and to provide learning and development opportunities for the employee.

#### In-kind grants, in support of self-employment

The objective of the in-kind grants project is to provide Syrians with the necessary tools to start a small business using their previous skills. These tools come in a toolkit that is tailored to the need of selected new business owners and contains all the equipment necessary to establish a small business, whether it is mobile, home-based or shop-based. A carpenter, for example, gets a toolkit containing carpentry equipment that allows him or her to provide services with or without a shop. In 2017, IOM targeted 300 recipients, with each toolkit budgeted at about \$US1,500. To be a recipient,

one must have the relevant skills and proof of experience; experience can be proved either through demonstrating ability or by providing evidence of a diploma or degree in a related area.

IOM undertook the following process. First, it conducted a market assessment. This means identifying the services and the areas that are underserved, as an effort both to fill the gap in local markets and to prevent saturating them. As a result of this assessment, the pilot focused on suburban areas in Sanliurfa, Gaziantep and Hatay provinces as ideal business locations. The second step was to select potential business owners. This was done through questionnaires and interviews, particularly in refugee camps. During the selection process, IOM worked with potential recipients to develop a simple business plan. Those with the most viable business plan, skills, willingness and vulnerability became priority candidates. To help recipients sustain their businesses, “after-sale” care is provided. IOM project staff meet the new business owners regularly for monitoring and support. IOM also encourages business owners to set aside a part of their revenue for repair and maintenance, and to keep a record of savings and a business development plan.

#### Entrepreneurship training and grants

As part of this activity stream, IOM partners with InnoCampus to provide young entrepreneurs (both refugees and Turkish) with access to training, funding and networks. IOM provides the grants for a refugee programme that InnoCampus runs.<sup>55</sup> This programme has a series of activities, starting with a Start-up Weekend in Gaziantep Province, where 20 refugees and 20 Turkish entrepreneurs collaborated on business ideas. Teams pitched their ideas to a panel of judges, and 10 of the 14 teams were selected for the next stage, the Accelerator Programme. In the Accelerator programme, 29 people from the 10 teams received entrepreneurship training, improved their business plans and presented their ideas to a panel of partners and investors. The best teams then received grants to start their businesses. This series of activities will expand to other cities in Turkey, such as Urla izmir, Sanliurfa and Hatay.

#### 2.4 Institutional setting

IOM is the main implementer, working with local organizations for the initial groundwork activities such as questionnaire distribution and interviews during the selection stage.

#### 2.5 Funding arrangements

IOM and IOM donors

#### 2.6 Impact and results

In the in-kind programme, IOM aimed to deploy 300 toolkits in 2017. About

80 per cent of the recipients have started their businesses. For the 20 per cent who have not started yet, the most common difficulty they face is in renting a place or obtaining permits. The two most commonly distributed toolkits are for tailors and welders. IOM found that a recipient who is a head of household usually supports more than his or her immediate family. This suggests that the total beneficiaries of the programme could extend beyond the 300 recipients of toolkits. In fact, IOM projects that the in-kind grant programme can benefit about 1,500 Syrians. Compared with other streams of activities within Livelihoods (i.e. the job placement and entrepreneurship training), the in-kind grants is where the most impact, in terms of income generation, is observed. Furthermore, some business owners are even able to create jobs, which was the case with roof masons and plasterers, for example.

### 3. Analysis and discussion

#### 3.1 Success factors and challenges

Key success factors:

Having a good working relationship with the government has enabled IOM to help recipients navigate the processes of obtaining a permit. The success of the project also relied on a thorough process for selecting recipients, and assistance in shaping their business plans.

Main challenges:

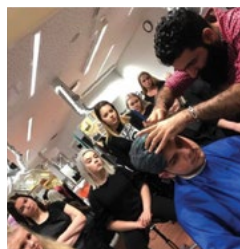
The challenge was to strategically integrate refugees in the economy while avoiding local market saturation. This is a substantial problem given the volume of refugee inflows in Turkey, and the fact that they are concentrated in certain localities. As a way to overcome this challenge, IOM conducted market research ahead of the selection and business plan development processes, in order to identify where refugees can fill a gap in the local economy instead of saturating it.

#### 3.2 Replicability

The most important precondition for a similar initiative would be the existence of supporting regulation in the host country, i.e. legislation that allows refugees to access formal jobs and open a business. Second, a substantial amount of resources, both financial and human, is required to implement the processes and reach the scale that the Livelihoods programme has achieved. As an example, processes such as interviews, business development mentoring and regular staff visits to the beneficiaries are human resources intensive. In addition, to be able to have quality interactions with refugees – particularly in countries where access to refugee camps is somewhat restricted – an implementer needs to have a good working relationship with local governments.

## Case study No. 17 – Startup Refugees, Finland

### Success story



#### Baghdad Barbers (BGD Barbers): a hairdressing service

Startup Refugees enabled refugees with hairdressing skills to meet and collaborate as Baghdad Barbers. The business first offered its service in a pop-up shop concept (meaning no permanent location, they move around and pop up in events, festivals or in a series of scheduled times and locations). Through opt-in social media engagement and tech solutions such as online booking for appointments, and good connections to the start-up network of Helsinki, the business has gained much visibility and now has a permanent shop.

Source: BGD Barbers Facebook page

Press: <http://www.ibtimes.co.uk/meet-iraqi-refugees-shaking-start-scene-finland-1609645>

<https://finland.fi/business-innovation/startup-refugees-innovate-integrate-finland/>

#### 1. Basic information

**1.1 Initiative** A mix of incubator and job-matching service provider

**1.2 Country and locality** Finland (based in Helsinki, but also works in 10 other cities, and planning to expand to 4 new cities)

**1.3 Time of implementation** Initiated in 2015, officially operational as an NGO in 2016

**1.4 Implementing organization(s)** Startup Refugees

**1.5 Nature of the implementing organization(s)** NGO

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It began as a community initiative started by a media company which attracted volunteers and professionals doing pro bono work (e.g. web developers, lawyers). But after getting traction in the country, they spun out into an NGO.

## 2. Description

### 2.1 Objectives

In 2015, like other European countries, Finland received an influx of refugees. Owing to a lack of integration initiatives, this influx created some discontent domestically. On the refugee side, they experienced a long wait time in reception centres (a lot of the refugees who came in 2015 have yet to receive asylum status or a residential permit), and this long waiting time represents a productivity loss for both refugees and host country.

Startup Refugees is working to integrate refugees into Finnish society through entrepreneurship. They found that a significant number of refugees in Finnish reception centres are interested in entrepreneurship, and so they are working to help these refugees become entrepreneurs. Throughout the process, they also create platforms to enable interactions between Finnish citizens and refugees.

The support that they offer includes business incubation (helping refugees who have entrepreneurship aspirations to draw-up a business model, connecting them with investors, helping them navigate Finnish regulations), and providing refugees with the social capital necessary to start a business in a new country, such as mentorship programmes and networking with domestic businesses

### 2.2 Target groups

Refugees in Finland with entrepreneurial aspirations and those wanting to add a professional skill, or seeking work

### 2.3 Approaches and activities

Startup Refugees visits refugee centres to collect data on refugees' professional skills, goals and entrepreneurship potential. These data are used to match refugees with local entrepreneurs and businesses to facilitate business creation and to create jobs and new businesses. Most of the organization's resources have been channelled into collecting these data. The next stage of the project is to use this data to build a web portal, called "Match Made in Start-up", through which refugees can be matched with Finnish investors or employers. In addition, the portal will also be a platform through which Finnish citizens can interact with refugees in a variety of ways, such as at cultural events and workshops.

Another stream of activity is a recent partnership with the city of Helsinki, which is seeking better ways to engage with potential entrepreneurs. Ten entrepreneurs from Startup Refugees joined the programme and will receive assistance to start their businesses. This assistance will include designing a business plan, navigating permits and paperwork, meeting investors and training to pitch their business plans.

### 2.4 Institutional setting

Startup Refugees is now an NGO that receives funding from various donors and grants. For staff support, it has relied on volunteers and pro bono work in its activities. For example, the current Startup Refugees website was developed pro bono by an IT service company, and the same company is helping them to develop the "Match Made in Start-up" project.

## 2.5 Funding arrangements

Multiple donors.

## 2.6 Impact and results

In the period from 2016 to 2017, Startup Refugees profiled the skills and professional goals of 1,800 newly arrived refugees in 11 cities, offered 125 jobs, 42 traineeships, 70 business workshops for 589 participants, 379 courses and education opportunities, 16 profession-specific networking events for 151 participants and supported 35 businesses of newcomers.

## 3. Analysis and discussion

### 3.1 Success factors and challenges

Key success factors:

- Great initial publicity, which has created momentum and has helped to attract the engagement of private partners and communities in the programme
- An excellent network of local professionals and entrepreneurs, universities, private sector companies and city governments, which has created an ideal environment to support the growth of new entrepreneurs –particularly important for refugees, who would otherwise face great difficulties in building contacts in a new country
- A team of committed volunteers, which has helped a lot in the groundwork data collection in reception centres
- A well-made digital platform that will be able to connect refugees and local businesses and investors

Main challenges:

- Legal status: Without certainty in length of stay (without asylum status granted or a residential permit cleared), it is difficult for refugees to imagine a business plan, let alone commit to one. In many instances, refugees who were previously interested in starting a business have had to focus instead on securing wage employment.
- Logistical challenges: Finding volunteers for the groundwork was quite easy for Startup Refugees, because of the publicity and attention they received when they started up. But they are short of translators. In the refugee centres, communication can be tough as it is difficult to find translators who speak Arabic, Pashtun or very specific dialects in a relatively small country such as Finland. Currently, the web portal enables volunteers to offer their skills to help the initiative which can make finding translators easier.

### 3.2 Replicability

Startup Refugees has scaled up its operations to 11 cities and is looking to expand in another 4. Considering that it has been fully operational for only one year, this represents significant expansion.

Given its reliance on volunteers, well-established private sector partnerships and IT capabilities, this initiative is more suitable for replication in developed countries with good IT capabilities. One of the most important lessons to emerge from this initiative, in addition to the importance of having a strong network of volunteers and professionals willing to do pro bono work, is that the "Match Made in Start-up" portal represents a potential source of revenue which would help Startup Refugees to become less dependent on donations.

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## Case study No. 18 – The Human Safety Network, France

### Success story



During the first four months, the programme offered training to more than 100 participants to strengthen their skills to open their business or to find a job in their host communities. The initiative is empowering refugees to realize their dreams and contribute socially and economically to the society. Eleven participants have already started their businesses and created new jobs in Paris.

### 1. Basic information

**1.1 Initiative** The Human Safety Net – Refugee Start-Ups Project

**1.2 Country and locality** France

**1.3 Time of implementation** 2017–2020

**1.4 Implementing organization(s)** SPARK as lead organization, in cooperation with local NGOs, including PLACE, SINGA (France) and Social Impact (Germany)

**1.5 Nature of the implementing organization(s)** NGO

### 2. Description

#### 2.1 Objectives

The Human Safety Net for Refugee Start-Ups (THSN) is a project dedicated to giving refugees the skills and the resources to set up their own businesses and create jobs. The programme goal is to increase the number of start-up businesses among this population and reduce the number of failed businesses by providing support services. The programmes within THSN advise, protect and support refugees' businesses, so that refugees may become self-sufficient and contribute to the communities they live in.

#### 2.2 Target groups

The initiative targets refugees living in Paris, France. Parallel activities are run in Germany, and further expansion is planned in other countries. More specifically, the programme targets refugees with entrepreneurial potential who want to set up a business and refugees who would like to strengthen their skills to find a job in the hosting community.

#### 2.3 Approaches and activities

The programme lasts six to eight months and includes four phases:

**Phase 1:** Outreach campaign

Events are organized to promote the entrepreneurship programme, engage the target group, reach the potential participants and serve as a selection mechanism for phase 2.

**Phase 2:** Orientation to entrepreneurship and business idea creation

This phase provides general training on entrepreneurship. Participants learn about the local business environment, participate in business simulations and generate business ideas. This phase also offers dedicated sessions for participants to refine their business ideas with the help of experienced entrepreneurs. In addition, it serves as a selection tool for phase 3.

**Phase 3:** Advanced entrepreneurship and business plan training

This phase offers an intensive training for the top performers in the previous phase to develop a full business plan, backed by market research and financial models. Participants can learn basic legal and financial skills to run a small business. Emphasizing learning by doing, it offers practice-focused training as well as sessions where participants have the opportunity to refine and test their business plans. During this phase, the participants receive one-to-one support to finalize their business plan and to prepare for the business plan completion, which serves as a selection tool for phase 4.

**Phase 4:** Take-off

This phase offers professional and financial support for the selected participants to launch their businesses within a year. The selected start-ups get the assistance needed to ensure an increased survival rate. This phase offers three support elements:

- One-to-one coaching and mentoring to support participants to implement their business plans
- Access to loans from a local bank or microfinance institutions to cover start-up costs
- Co-working spaces with the resources needed to build a business

#### 2.4 Institutional setting

This project is funded by Generali, led by SPARK and implemented by SINGA, Social Impact and PLACE. The Human Safety Net for Refugee Start-Ups started its activities in Paris in 2017.

#### 2.5 Funding arrangements

Generali provides funding of approximately €647,000.

#### 2.6 Impact and results

An evaluation of this programme has not yet occurred, and it is still too early to assess the final impacts. By providing the necessary educational, technical and financial support for refugees, the programme aims to achieve the following results in four countries by 2020:

- 3,500 refugees trained
- 1,500 business plans developed
- 2,000 jobs created
- 500 start-ups established

### 3. Analysis and discussion

#### 3.1 Success factors and challenges

Key success factors:

In cooperation with local partners, SPARK offers infrastructure for the direct implementation of the programme, including training and incubation facilities.

Main challenges:

Refugees in Paris have many challenges to overcome before starting a new life in the country. THSN offers tailored educational workshops, technical trainings and financial support to them. It focuses especially on recently arrived refugees with high business potential who have a good chance of being granted asylum or subsidiary protection.

#### 3.2 Replicability

The THSN programme is designed to be replicable across multiple European countries. The programme considers the cultural diversity of participants and has been designed to ensure that interventions can be implemented effectively in different countries. THSN works with the support of local partners, which contextualize the programme to the local business environment.

## Case study No. 19 – JUMPP, Germany

### Success stories



#### Participant in the Migrant Project 2016

**Gerlee Tsegmid-Rösch** of Mongolia, says, “I am a modern nomad: I lived in Berlin for many years, also in New York and in Paris. Now I have settled in Bad Homburg. My vision is to create a connection between my original and new home. To this end, I founded my Agency for Mongolian Art and Culture. I represent selected artists and hold cultural events that show a Mongolia far from the clichés of the wild conquerors under Genghis Khan. So that you can get an idea with your own eyes – without horses, bow and arrow, instead with music, dance, singing and artistic craftsmanship,” she says. Through the JUMPP project she felt supported and got ideas and inspiration. Her mentor’s experience has helped her make decisions and set the right course for the success of her business. She has already launched her online shop (<https://www.mongolian-step.com>) and is planning her next actions. In October 2017 she organized two successful concerts in Berlin and Munich, “Classic meets Steppe” (<https://www.mongolian-step.com/kulturprojekt>).



#### Participant in the Refugee Project 2017

**Roza Alhaj**, age 28, came to Germany from the Syrian Arab Republic three years ago with her husband through the United Nations. She speaks very good German (B2 level) and will take her exam soon. After graduation she had several jobs in the fields of catering, customer service, service and marketing. She was previously a restaurant manager in Lebanon. She was able to build her industry experience in the restaurant of her family in Damascus and now provides catering and runs a restaurant with Syrian cuisine in combination with international influences. “Cooking is my passion. Here I can transport a piece of home. But also to make this delicious, diverse cuisine accessible to others. In addition, I use the paradigm shift to new eating patterns. Today, food skills are developing – eating awareness is becoming the new status symbol. This encourages me that my business idea has prospects of success,” she said. Her husband very much supports her in this project. Because she knows the challenges, she wants to support Syrian women. She already does that in her community, giving tips and advice, and providing motivation.

Sources: <https://www.frauenmittfluchterfahrungsruenden.de>  
<http://www.jumpp.de>  
<https://www.migrantinnengruenden.de/>

### 1. Basic information

#### 1.1 Initiative Vocational and business training for refugees.

Germany ranks second after the United States as a host of the largest numbers of international migrants.<sup>56</sup> It has a foreign-born population of about 11 million, which represents about 13 per cent of its population.<sup>57</sup> Successful integration of these migrants and refugees represents a challenge and requires comprehensive and innovative programmes.

There are many organizations and initiatives promoting migrant integration.<sup>58</sup> The Bertelsmann Stiftung identifies about 20 national-level programmes to promote migrant entrepreneurship. With roughly 200–400 participants per year, the programmes are numerous, especially in the former West Germany. Most programmes at the federal and state levels that promote migrant entrepreneurship focus on information, advice and networking. Although some programmes support access to capital, they are for general beneficiary groups and do not focus exclusively on migrants.

The initiative consists of two projects:

1. the **Migrant Project**:<sup>59</sup> female migrants starting their own business (“Migrantinnen gründen”)
2. the **Refugee Project**:<sup>60</sup> female refugees starting their own business (“Frauen mit Flüchtlingsfahrungsruenden”)

Together, the projects aim to promote the social and economic integration and equal opportunities of migrant and refugee women. Towards these aims, they work to activate and support migrant and refugee women’s entrepreneurial potential, and to make such women visible as successful entrepreneurs in public life.

After the successful completion of the Migrant Project in 2016, the Refugee Project was launched in 2017 as a pilot project to develop new ideas and models to activate the entrepreneurial potential of refugee women.

The Refugee Project was based on a study that found that 38 per cent of the refugees in Germany want to study or work: that is their main goal in five years. Other stated goals are successful integration (for 25 per cent) and stability (for 14 per cent).<sup>61</sup>

The implementing organization, JUMPP, says that the Refugee Project is currently the only project in Germany specifically targeted at female refugees who want to start their own business. In order to promote gender equality and equal opportunities as well as refugees’ economic and social integration,

the Refugee Project takes into account cultural differences related to family and work norms, and works to develop role models. One of the project objectives is to identify structural barriers faced by the target group and to develop recommendations as regards, for instance, business financing, and cooperation between authorities and other stakeholders.

#### 1.2 Country and locality Germany, Rhine-Main area

**1.3 Time of implementation** The Migrant Project was implemented in 2015–2016. The Refugee Project is scheduled to run in three phases, one per year. In 2017 the implementing organization raised awareness of the project and worked with female refugees to activate their entrepreneurial potential. In 2018 the mentoring started. The participants will develop their business ideas and implement them in 2019. Mentors support the process over two years. The project is scheduled to end with a closing event at the end of 2019.

**1.4 Implementing organization(s)** JUMPP Frauenbetriebe e.V.<sup>62</sup> from Frankfurt am Main is implementing the project on behalf of the Federal Ministry for Family Affairs, Senior Citizens, Women and Youth (BMFSFJ). JUMPP has been helping women to start their own business for over 30 years. It promotes self-employment through providing individual advice, events and networking support.

Since 1984 JUMPP has supported approximately 14,000 beneficiaries in starting and operating their businesses. More than 50 per cent of them are women with a migrant background.

In 2016, JUMPP received the certificate “Diversity Charter” for its commitment to diversity and support for women with a migrant background. This award is a corporate initiative to promote diversity in companies and institutions, under the patronage of the German Chancellor.

General JUMPP objectives:

- Social and economic integration
- Equal opportunities for women in the economy
- Participation in working life through business start-up
- Sensitization of the public

#### 1.5 Nature of the implementing organization(s) Non-profit association

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## 2. Description

### 2.1 Objectives

The project objectives are:

- To activate and promote the entrepreneurial potential of migrants and refugees
- To prepare them to set up their own businesses
- To make female entrepreneurs with a migrant or refugee background visible to the public as role models
- To make stakeholders aware of the potential and interests of female migrant and refugee entrepreneurs

Specifically, the Refugee Project aims to support 20 successful pairs of mentees and mentors.

### 2.2 Target groups

The Migrant Project targeted women with a migrant background who have a good start-up idea and want to realize their dream of owning a business – preferably from Frankfurt am Main or from the district of Groß-Gerau.

The Refugee Project targets refugees in the Rhine-Main area who want to use their entrepreneurial potential as an opportunity for social integration. Ideally, mentees are open to new ideas and external support, are proactive, express themselves, are ready to deal with their own situation and to take responsibility for further steps, and want to reconcile their independence with the needs of their family.

### 2.3 Approaches and activities

Migrant Project

The support programme consists of the following modules:

- Mentoring
- Workshops
- Individual advice
- Success Teams
- Events/networking

Mentoring is the main component of the programme. A mentor accompanies a mentee on her path to self-employment for a period of nine months. The mentors are entrepreneurs who are prepared to support a mentee for nine months on a voluntary basis and who have been successfully established in the market for at least five years. During the project period, mentees receive a free membership in the UFO – Unternehmerinnenforum RheinMain – the Jumpp network for female entrepreneurship.

The subjects of the workshops include discrimination in the job market, business plans, marketing, finance, social media and networking. For the 20 hours of individual advice the mentee can choose from a range of topics, such as personal development, marketing, finance, networking and business planning.

The Success Team method comes from the United States. A Success Team consists of about four mentees that help each other to move on and support their desire to start their own business. The team meets regularly, helps to figure out what team members want and design a plan of action to achieve that. It helps mentees to develop their “soft skills”, to act in problem- and solution-oriented ways, to communicate and to expand horizons. It is an ongoing, sustained effort over a period of time that helps mentees to overcome obstacles and finally to achieve their dreams.

Five events were organized: a kick-off, an intermediate event, a graduation, a symposium and a final session. The events are not just a marketing tool, but also promote getting to know each other, intercultural and communicative competencies, exchange and networking on different levels. These events provide access to international, regional and local markets; improve the visibility of migrant women; encourage and strengthen self-confidence; support the start-up process; and raise awareness of the concerns of mentees.

Refugee project

The Refugee Project is being conducted in three phases:

2017 – Phase 1: Orientation and Activation: First of all, it is important to make refugee women aware of their own entrepreneurial potential. Access to mentees takes place through various channels: through institutions, network partners, direct approach and recommendations. Once interested parties have

manifested their interest, a competence assessment takes place. Various instruments are used here: consulting, coaching, co-working, support teams. Parallel to this, the active search for mentors starts.

2018 – Phase 2: Developing a business idea: Twenty mentees have been assigned to a mentor to design and plan their business idea. The mentors are entrepreneurs and executives from business, education, science and politics who are willing to support a refugee woman in the second and third phases (2018–2019) on a voluntary basis.

Jumpp also offers participants practical experience: in addition to the instruments of the previous phase, participants will be able to do internships in SMEs to gather impressions and practical experience. Furthermore, the mentees are helped to get access to loans and state subsidies if necessary. An intermediate event will inform the public about the experiences of the first two phases.

2019 – Phase 3: Starting up the business: The focus is on the concretization of the developed business idea. Mentoring and shadowing are important components in this final stage, which leads to start-up. This phase also supports implementation and testing on the market. At the same time, Jumpp will increasingly place displaced women in the foreground and make them visible in the (new) media – especially as role model founders and entrepreneurs. Jumpp is planning to present the research results at a final event at the end of 2019.

### 2.4 Institutional setting

JUMPP Frauenbetriebe e.V. is implementing the project on behalf of the BMFSFJ.

An advisory board has been set up with experts from business, science, government and education. Their involvement should contribute to the success and efficiency of the project. The advisory board includes a representative from the BMFSFJ and the Federal Ministry of Economics and Energy. The projects are being monitored and evaluated by the Institute for SME Research and Entrepreneurship (IFM) at the University of Mannheim. IFM provides project knowledge, documents that knowledge and makes it available to other regions and institutions at the federal level. On the basis of the Migrant Project, IFM and JUMPP published a handbook with experiences, insights and guidelines.<sup>63</sup>

### 2.5 Funding arrangements

The project is funded by the BMFSFJ.

### 2.6 Impact and results

The Migrant Project was completed by 22 pairs with mentees from 19 countries and 4 continents: Europe, Asia, Africa and North America. The mentees were all female first-generation migrants. Eighteen businesses have been established (82 per cent of mentees) in 12 business sectors. About 20 women are currently participating in the Refugee Project. The whole project is a fluid process, so many entries and exits are to be expected.

## 3. Analysis and discussion

### 3.1 Success factors and challenges

Key success factors:

- A variety of personalities and cultures among the service providers who have learned with and from each other and are dedicated to making a difference in the global world
- Specific knowledge about the target group and their needs
- Holistic approach using different tools and methods: cross-mentoring, qualification through workshops, individual consultations, Success Teams, events, teaching specific entrepreneurship-relevant knowledge (further development of soft and hard skills)
- Scientific monitoring, transfer of project results and development of recommendations for action

Main challenges:

Attracting participants is a primary challenge. Service providers work with many organizations and players in the field and face structural and personal barriers to reach target groups. Refugees face a lot of uncertainty, and it is important for programme implementers to build trust among refugees first



of all, and to then move forward slowly and in small steps. Refugees need substantial support and guidance (on both soft and hard skills) because they usually have no experience with self-employment.

Some refugees may not be ready to participate in the programme. Service providers should therefore make an initial assessment of potential beneficiaries' competences and entrepreneurial potential. The programme may place excessive demands on refugees who do not yet have proficiency in the host country language, and it may therefore be too early for them to participate effectively. Team members therefore have to be careful and sensitive to the different needs of potential beneficiaries. Programme implementers should also take into account differences between migrants and refugees, and the heterogeneity within these groups – for example, in terms of education, work experience and access to resources.

A further challenge is that cultural and societal perceptions are not always supportive of empowering migrant and refugee female entrepreneurs. Case officers are sometimes sceptical about the idea of a refugee starting her own business. It can take time to convince a case officer to support a refugee enterprise idea, and this process can be frustrating and discouraging for the refugee who wants to start her business quickly. There are also legal and regulatory challenges. The process of recognizing foreign qualifications is often too slow, and uncertainty regarding residence permits means that a refugee may not know whether she is allowed to stay; it may also further obstruct access to formal finance. Refugees may struggle to find the time to engage with entrepreneurship because they need to organize daily life, care for family, deal with traumas, participate in integration courses and meet the requirements of authorities.

### 3.2 Replicability

Replication of the JUMPP initiative has already been supported: following the successful completion of the Migrant Project, the Minister of the BMFSFJ, Manuela Schwesig, awarded JUMPP funding to run the Refugee Project. The value of the project was highlighted by the Minister when she said, "Refugees as entrepreneurs – this can be an opportunity: for the women themselves, for the labour market in Germany and for the integration of refugees into our society".

However, further replication is hampered by funding constraints, and depends on whether the implementing organization has the knowledge required to

design and implement such a comprehensive project. Few countries will be able to match the financial resources of Germany. Nonetheless, working with volunteer mentors is a cost-effective way of knowledge transfer. In addition, JUMPP and IFM have thoroughly documented and published the project experience so that others can learn and copy.

JUMPP and IFM present the following recommendations:

- It is essential that service providers have specific knowledge of the target group and its needs.
- Service providers should adapt their approach to the specific target group. Migrant women feel strongly attracted to programmes specifically targeted at women and migrants, contrary to some fears of positive discrimination.
- Given the high entrepreneurial potential but low demand for entrepreneurship support among female refugees, it is important to run a carefully targeted communication campaign to raise awareness of and recruit migrant women to the programme. Social media (such as Facebook, Twitter, LinkedIn and Xing) can be used to selectively target potential beneficiaries and increase the programme's visibility.
- In order to reach and collaborate with target beneficiaries, it is necessary to overcome access barriers, which requires respect and appreciation – a "consultation at eye level".
- Service providers should be able to provide comprehensive start-up support, i.e. as a "one-stop shop". They should offer a wide range of methods (e.g. mentoring, Success Teams, networks).
- The impact or sustainability of start-up advice is greatly enhanced when migrants experience "help to self-help" and self-empowerment.
- Women's life plans, entrepreneurship motivations and business ideas are becoming increasingly diverse. Staff providing start-up advice should be open and accept non-traditional ideas about gender and migration.

Considering the effort and costs of start-up consulting services, a political assessment is needed to decide where, when and how to offer intensive start-up support. Mentoring has proven to be a suitable instrument to better reach target groups and to provide sustainable, high-quality and needs-oriented advice. Mentoring enables the transfer of entrepreneurial and technical knowledge, mediation of role models, strengthening of motivation, building of networks and personal development of mentees.

## Case study No. 20 – Singa Business Lab, Germany

### Success stories



**Bote** was set up by Raafat Hantoush (cohort 2). It is a deep-tech Internet of Things (IoT) invention that gives parents peace of mind about the safety of their children: a smart insole for a shoe that contains a microchip and sends notifications to a parent's smartphone once a child goes out of a certain range. Bote neither collects nor shares data, it is designed to guarantee the privacy of children.

**Niuversity** was set up by Fadi Al Shalabi (cohort 1). It is an online educational platform that offers professional skills courses in Arabic to empower youth and teach them market-relevant, employable skills through live and interactive teaching within its virtual classroom. Niuversity was incubated in SINGA Business Lab's first cohort, where the concept was built and tested. After completing SINGA Business Lab, Niuversity went on to successfully raise seed funding.

**Aram Craft** was set up by Ghada Alkotob and Rabbab Badin (cohort 2). It brings authentic Syrian handicrafts such as mosaics, organic cosmetics and ceramics to the European market. The products are handmade by newcomer women who get a fair share of the profits. By running handicraft workshops, Aram Craft seeks to present the bright aesthetic images of their Syrian heritage.

### 1. Basic information

**1.1 Initiative** SINGA Business Lab (<http://ideasinmotion.de/>)

**1.2 Country and locality** Berlin, Germany

**1.3 Time of implementation** 2016, with the first wave of incubated business starting in early 2017

**1.4 Implementing organization(s)** SINGA Germany (Ideas in Motion, now SINGA Business Lab)

**1.5 Nature of the implementing organization(s)** Private company

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## 2. Description

### 2.1 Objectives

SINGA Business Lab is an inclusive incubator based in Berlin co-created with newcomer entrepreneurs to support them in founding successful, innovative and scalable businesses. It is the first comprehensive entrepreneurship support programme with newcomers in Germany that takes entrepreneurs from business idea to operation, and teaches how to think, lead and innovate as an entrepreneur. Singa Business Lab works at the forefront of innovation and migration, running a five-month, Berlin-based, intensive programme. Five core services are offered (ideation and concept development, business skill training, entrepreneurial mentoring, networking and community, legal and financing support).

### 2.2 Target groups

Applications for the SINGA Business Lab are open to people from a refugee or migrant background who are allowed to legally open a business in Germany. There are lots of programmes for refugees in Germany, but very few for the integration of economic migrants. SINGA is thinking of widening the scope of its participant base so as to include informal and illegal economic migrants. No knowledge of German is required. The average participant has lived in Berlin for between one and three years and so already has some basic language skills, which SINGA deems sufficient to start an enterprise (due to the very cosmopolitan population base of Berlin).

The selection of participants follows a two-step approach: pre-incubation and incubation. The pre-incubation phase accepts 25 participants. During this phase, interviews are designed to challenge the business ideas of this first group of participants. From the pre-incubation cohort, 10–12 participants are then selected for the five-month incubation phase. Follow-up interviews are organized with the non-selected candidates.

The selection criteria are very general: participants have to have a business idea (nobody has a business plan at the time they join SINGA) with some element of innovation (for example, in terms of organization of the business or new a product or service). The selection process also takes into consideration the candidates' personal characteristics and favours motivation and commitment.

### 2.3 Approaches and activities

The methodology is developed and adapted in close consultation with the participants and with other SINGA organizations and other institutions in Berlin. Participants set their own targets and evaluate the programme's impact according to these pre-established objectives. Programme activities include weekly workshops and trainings, as well as biweekly mentoring sessions. The mentors who volunteer with the programme are all entrepreneurs themselves. Mentors are therefore well-placed to give participants practical advice and help them resolve problems, which is what participants want.

### 2.4 Institutional setting

SINGA Berlin has set up wide partnership arrangements. Their main partner is Service Innovation Labs: <http://www.si-labs.com/#service-design>

For content developing, SINGA works with

- Glass Lutz, one of Germany's leading full-service law firms: <https://www.gleisslutz.com/en>
- Jusoo, a non-profit organization based in Canada and the United Kingdom: <https://jusoorisria.com/>
- Sasserath Munzinger +, a brand consultancy firm: <http://sasserathmunzingerplus.com/en/who-we-are/>

- ESCP Europe, a European business school: <http://www.escpeurope.eu/>
- Rational Games, a social enterprise that uses gaming methods to teach negotiation: <https://www.rationalgames.com/>

Impact evaluation is conducted by the Mannheim Institute für Mittelstandsforschung, Berlin Technische Universität, ESCP Europe and the International Rescue Committee.

### Funding

Funders include Schöphling Stiftung, Zalando, Rational Games, Programm Engagement mit Perspektive, Robert Bosch Stiftung, Deutsche Integration Preis, StartNext and Cultural Vision.

Singa also has partners for venues and community. See <http://ideasinmotion.de/our-partners/>

### 2.5 Evidence of impact

The impact evaluation of the first cohort is in progress. Of the eight participants SINGA had at the beginning, two dropped out during the five-month incubation programme. Of the six entrepreneurs who completed the five-month programme, five now have formally registered businesses and two have had their first sales.

### 2.6 Funding

SINGA's main sources of finance come from its foundation partners, but it also receives some individual donations. The rest of SINGA's partners contribute in kind. The programme is not sustainable in the way it is currently structured: it depends on volunteers, because the incubation activities do not generate a profit. It is not certain that SINGA will have the financial resources to run another Business Lab cohort after the current one.

## 3. Analysis and discussion

### 3.1 Success factors and challenges

Key success factors:

- Private sector financing has been very positive (although it is not enough), and the German State is very interested in supporting this area of work.
- Mapping and understanding the programme's context has been essential, as migrant communities and the institutions that support their integration differ from city to city (for example, Stuttgart is not the same as Berlin).

Main challenges:

SINGA Berlin has three goals, namely support newcomer entrepreneurs, affect the entrepreneurial ecosystem by raising awareness about the benefits of integration through entrepreneurship, and make an impact on the larger community. The latter requires more resources, because it is more about communication than operations. SINGA posts news and stories about successful entrepreneurs, but it is not enough to really affect the entrepreneurial ecosystem and broader community.

### 3.2 Cost-benefit analysis

SINGA runs the programme with tight resources. It estimates that the programme currently costs approximately €4,000 per participant, although this is a generous estimate and actual costs vary according to the participant and business type.

### 3.3 Replicability

The programme could be replicable if the right institutional ecosystem is created: Collaborative partners are very important for programme success.

## Case study No. 21 – Changemakers Lab, Greece

### Success story



“Trash, we can!” is a waste management solution for refugee camps. The business idea came out of CML’s Accelerator programme with the University of the Aegean. In refugee camps, waste management can be an issue that can diminish the quality of life. There is no incentive to recycle, for example, so a lot of recyclable materials end up in landfills.

For a small area like Lesbos Island, this can affect the environment more quickly. The initiative creates a reward system using recycle bins enhanced with a mobile app. These bins can incentivize recycling, make camps cleaner and are environmentally friendly. The programme has attracted interest from camp managers but has yet to be piloted.

### 1. Basic information

**1.1 Initiative** Changemakers Lab (CML) Lesbos Island

**1.2 Country and locality** Lesbos, Greece

**1.3 Time of implementation** 2016–present

**1.4 Implementing organization(s)** Changemakers Lab (CML)

**1.5 Nature of the implementing organization(s)** NGO

### 2. Description

#### 2.1 Objectives

The island of Lesbos was one of the places that experienced a large influx of refugees during the 2015 and 2016 refugee crisis. The influx put pressure on the island’s tourism-dependent economy and, without meaningful interactions between locals and refugees, risked generating social tensions.

CML aims to bring locals and refugees together to collaborate through entrepreneurship. In order to facilitate this collaboration, it created a business incubation centre and organized entrepreneurship workshops and networking events. Its longer-term vision is to build an ecosystem for entrepreneurship in Lesbos, attracting start-ups, investors and digitally skilled workers.

#### 2.2 Target groups

Locals, youth refugees, social entrepreneurs and digital nomads

#### 2.3 Approaches and activities

CML has several activities, of which the most important is the “Accelerator” programme. This is a four-month incubation programme in collaboration with the University of the Aegean, where students, refugees, volunteers and other stakeholders collaborate to test, implement and accelerate business ideas. Each week, CML brings together diverse stakeholders who pitch and discuss their ideas with a class of students at the university, in order to further develop their ideas. Seven ideas developed through this incubator were presented at a Changemakers Summit, held in Mytilene on Europe Day, 9 May 2017. The top solution, which focuses on waste management in refugee camps, was selected to participate in the Humanitarian Port Hackathon at CERN in Geneva. This initiative received the best feedback from the panel of experts at CERN and is now being further developed.

CML’s other activities include the following:

- Educational programmes, workshops and seminars. CML partnered with SAP to organize train-the-trainer workshops during the Lesbos Refugee Code Week in. TTS is a global initiative founded by SAP, a multinational software enterprise. During TTS, a team of coding instructors teaches the tools and skills that participants need in order to become coding instructors. Once trained, participants can start becoming trainers in Refugee Code Week, a free coding workshop for children and youth aged 8 to 24 across UNHCR camps, community centres and universities in nine host and transit countries. Over 450 locals and refugees were trained in Lesbos.

- Events and conferences, as part of an effort to create awareness. An example is the Changemakers Summit in May 2017, which gathered representatives from government, NGOs, universities and research centres, as well as entrepreneurs and investors, to promote social-tech-entrepreneurship. The summit has also endorsed broader collaborations in the community. The campaign focus of the 2018 Changemakers Summit, called The Birds, was a community art project designed to promote collaboration and social cohesion.<sup>64</sup>
- Provision of co-working space to enable entrepreneurs to work alongside each other, exchange ideas and form networks.

#### 2.4 Funding arrangements

Multiple donors

#### 2.5 Impact and results

Because the initiative is fairly new, CML’s impact is less easily quantifiable, but it has achieved significant results in creating a network and learning environment for young entrepreneurs in Lesbos, both refugees and locals. For example, the Accelerator programme is key for fostering long-term and meaningful collaboration. Currently, the initiative is working on more than five projects. One of the projects that came out of the Accelerator programme went on to participate in The Port Humanitarian, a hackathon held in CERN in Geneva in late 2017. During the event, entrepreneurs collaborated with various professionals, from engineers to social scientists, who were able to help develop the entrepreneurs’ ideas as well as create initial prototypes for their products.

CML has built partnerships with institutions relevant to its target group, namely youth entrepreneurs, and the digitally skilled. These partnerships have included engagements with CERN, SAP, ReBootKamp, Greek universities and various start-up networks across Europe and beyond.

### 3. Analysis and discussion

#### 3.1 Success factors and challenges

Key success factors:

- Active youth engagement, gained particularly through working with universities. Built in partnerships with University of Aegean and with Refugee Code Week, CML’s Accelerator is a good example of a working collaboration platform. Rather than a one-off engagement, the Accelerator provides opportunities for weekly collaboration between participants, which facilitates the development of solutions for more intractable problems.
- CML’s collaboration with businesses and global initiatives in tech-related sectors, which has allowed CML to provide its beneficiaries with skills such as coding.

Main challenges:

- One of CML’s major challenges, common to many NGOs trying to raise funds from multiple donors, is to divide its resources between operations and the time-consuming process of writing grant proposals and monitoring and

evaluation reports. It is currently finding ways to simplify these processes, for example, by securing matching-grant agreements with government or intergovernmental organizations which could help to simplify its fundraising efforts.

### 3.2 Replicability

CML focuses on building the right environment for tech-enabled entrepreneurship in Lesvos, a place where the local economy has traditionally relied on tourism. Building necessary skills and providing opportunities for collaboration between young refugees and locals is therefore central to the success of CML's approach. CML can be replicated in localities where the migrants are young and skilled. As for the operational aspects of the initiative

(such as the delivery of coding workshops), adequate information and communication technology connectivity and partnerships with tech-related institutions are essential.

Smaller, new business incubators with an NGO structure commonly face challenges in securing funding, as they are restricted in the ways in which they can generate revenue. Dividing their resources between applying for grants and helping new businesses to launch can be difficult, particularly with a small operational team. Having a matching-grant agreement with governments or NGOs could help to ease the process of securing funding for operations. To help their beneficiaries access a larger pool of investors or resources, it might be in the organization's interest to partner with existing impact investment networks.

## Case study No. 22 – MigraVenture, Italy

### Success stories



Sources: <http://www.italy.iom.int/it/migrazione-clima-sviluppo/migraventure>  
<http://www.etimos.org/progetti/archivio-progetti/migraventure/>  
<https://www.facebook.com/Migraventure/>  
MigraVenture Video: <https://vimeo.com/235920852>

**Cheikh Diop**, after having founded an agricultural cooperative in Rome, will create a biofarm in compliance with biological and sustainable standards in the village of Ndiop (Senegal), using his family land. This story provides a good example of how migration can be beneficial to both the home and the host country: through the transfer of skills and co-development, the group set up an agribusiness in Italy, learned to make yoghurt and with MigraVenture equity will set up the biofarm in Senegal.

**Aichatou Sarr** started a business of processing cereals such as corn and millet, for the production of local products such as thiéré, thiakry and sankhal, for both local and European markets. His company is among the top 10 selected for capitalization by MigraVenture, is already operational and expects to reach a staff of 100 employees – for the most part, women – by 2020.

### 1. Basic information

**1.1 Initiative** A pilot initiative to support entrepreneurs with African origin and resident in Italy in setting up a business in their home country

**1.2 Country and locality** Italy and Africa

**1.3 Time of implementation** Since 2015

**1.4 Implementing organization(s)** Etimos Foundation

**1.5 Nature of the implementing organization(s)** Non-profit organization

### 2. Description

#### 2.1 Objectives

The overall strategic objective is to consolidate the capacities of diasporic actors, in particular foreign-origin entrepreneurs present in Italy, by supporting the start-up of enterprises in countries of origin, as a tool for sustainable development processes with a transnational dimension.

The International Organization for Migration in Italy (IOM) carried out initiatives to strengthen the role of migrant entrepreneurs based in Italy, with the idea that, by leveraging resources and skills linked to migratory movements, it is possible to catalyse development processes for the communities and territories bridged by migrants. The migrant entrepreneurs trigger sustainable development processes and promote the circulation of skills and experiences gained through the migration experience. The initiative is in line with the 2030 Agenda and acknowledges the role of employment as a catalyst for economic, cultural and social growth. This objective has been achieved through pilot programmes and initiatives aimed at strengthening entrepreneurial skills and at facilitating the start-up and consolidation of businesses in third countries, also through dedicated accompanying services.

For this purpose, IOM and the ETIMOS Foundation have launched the MigraVenture programme, a pilot initiative to support migrant entrepreneurship in Africa.

#### 2.2 Target groups

Entrepreneurs of African origin resident in Italy who are interested in starting a new business or consolidating an existing one in an African country

#### 2.3 Approaches and activities

The programme involves three types of activities:

- 1. A multi-stage training** (in group and individualized settings) that supports entrepreneurs in improving their business idea and in acquiring new skills in the field. The main topics addressed through training are business development, access to credit and capital tools, identification and use of marketing tools, risks and opportunities in the African market. The aim is to create a viable business plan.
- 2. Access to a pilot capitalization fund** that invests in projects with a high potential for socioeconomic development. The fund, which intervenes with a minority stake in the company's capital, aims to support the companies' growth and consolidation, in order for the entrepreneur to become the unique owner afterwards. For this purpose, a dedicated micro-equity tool was created.
- 3. Technical assistance** in the countries where the business activities are implemented. A team of experts ensures constant accompaniment during the start-up phase, in order to maximize chances of success.

#### 2.4 Institutional setting

IOM and the ETIMOS Foundation launched the MigraVenture programme, which is implemented with the support of the Ministry of Foreign Affairs and International Cooperation.

#### 2.5 Funding arrangements

The Ministry of Foreign Affairs provided €2.3 million for the programme operations.

Etimos will fund up to €300,000 for the equity fund.  
Public funds of €150,000 were provided.

## 2.6 Impact and results

Thanks to the MigraVenture initiative, the competences of foreign entrepreneurs residing in Italy have been significantly strengthened, consolidating their role as agents of sustainable development processes in a multidisciplinary dimension.

The most significant impacts are stronger collaboration between entrepreneurs and local institutions, donors and partners in Italy and in African countries; the launch of new businesses in African countries; the consolidation of expertise and skills of foreign entrepreneurs in Italy; the active contribution of entrepreneurs to pursuit of the Sustainable Development Goals (in particular: no. 1 – No Poverty, no. 5 – Gender Equality, no. 8 – Decent Work and Economic Growth, no. 12 – Responsible Consumption and Production, no. 17 – Partnership for the Goals).

More specifically, the achievements after the first 18 months are as follows:

- Involvement of African entrepreneurs through two calls for business ideas
- 105 business proposals received
- 41 business ideas admitted to the training phase
- 33 business ideas developed through personalized coaching
- 10 business ideas approved to access to the capitalization fund
- 6 business ideas in the pipeline for micro-capitalization
- Communication: production of a short documentary film (<https://vimeo.com/235920852>)

MigraVenture start-ups:

- Average investment amount: €57,000
- Main sectors of business: agriculture, agro-industry, services, trade, energy
- MigraVenture entrepreneurs attracted up to 49 per cent of the risk capital needed for the start-up of their business ideas, with an investment of up to €30,000
- 10 equity investments already approved
- The 10 projects in which the MigraVenture fund invested in the form of micro-capitalization shares vary widely (see table), ranging from agricultural production to processing of raw materials, from cloud technologies to personal services, and from audiovisual production to the biomedical field.

Country	Name	Sector	Total investment (€)
Senegal	Barikama	Agro-industry	38,000
Cameroon	Vision Institute	Video production	60,000
Cameroon	Tittou Fish	Organic fish farming	28,000
Senegal	Unite de Production de Cereales	Bioagriculture	90,000
Nigeria	Ape Maya	Nursery school	40,000
Cameroon	Palaghe	Laboratory and retail	56,000
Cameroon	African Building Company	Construction	62,000
Burkina Faso	Bovini al Pascolo	Organic breeding	20,000
Cameroon	Martin Poultry Farm	Agriculture	19,000
Cameroon	Greenland Farm	Agriculture	45,000

## 3. Analysis and discussion

### 3.1 Success factors and challenges

Key success factors:

- Involvement of various institutions providing support at different levels: IOM, ETIMOS and the Ministry of Foreign Affairs and International Cooperation
- Group training on theoretical tools followed by customized, individual coaching of selected projects
- Presence of Etimos branch in Senegal to provide local technical support and monitoring
- Coaching and monitoring of financed businesses in the field: participants are not left alone after start-up

Main challenges:

- The main challenge encountered was in reaching out to African diaspora communities in Italy. Some communities were more responsive than others. Participants came mainly from Cameroon and Senegal. There were few responses from migrants from North Africa.
- It was challenging for the selected entrepreneurs to attract other investors.
- The Etimos branch office in Senegal must support the businesses in other countries.

### 3.2 Replicability and recommendations

The MigraVenture programme's unique value is that it provides access to a pilot capitalization fund that invests in businesses in the home country of migrants. Rather than providing a grant, which is the more conventional approach, equity investment was chosen in order to give the migrant entrepreneur a greater sense of ownership and responsibility.

Because the selected businesses are still in the development stage, it is too early to assess the effectiveness of the approach and therefore its replicability. The main requirement for setting up a similar programme seems to be funding the equity investment.

Lessons learned:

- Focus more on one geographical area, to simplify and increase the effectiveness of technical support and monitoring in the field.
- Narrow the focus to particular business sectors, to simplify the provision of technical expertise for monitoring and support.
- Put more effort into reaching out to other African diaspora communities in Italy.

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## Case study No. 23 – SPARK MEP, The Netherlands

### Success story

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#### 14 businesses created in the Kurdistan Region of Northern Iraq

The Kurdistan Region of northern Iraq is a focus area of the initiative. SPARK opened a field office in Erbil at the end of 2014. This office provided a platform for the direct implementation of programme activities. It also played a constructive role in building and fostering partnerships with local partners and government institutions.

In cooperation with the Erbil Chamber of Commerce and Industry and WWB Consultancy, SPARK organized training workshops for local start-ups and entrepreneurs, which enabled 30 entrepreneurs to learn how to further expand their businesses.

The fragile state of the country and region challenged its implementation, as the diaspora was less motivated to invest in a business there or did not want to go back. However, the result with regard to diaspora entrepreneurship is positive. In total, 28 starting entrepreneurs finalized training, and half of them registered their businesses. They created 61 jobs over the course of three years.

### 1. Basic information

**1.1 Initiative** Migrant Entrepreneurship Programme (MEP)

**1.2 Country and locality** The Netherlands

**1.3 Time of implementation** 2014–2017

**1.4 Implementing organization(s)**

SPARK is a Dutch NGO that implements higher education and entrepreneurship programmes to empower young people to lead their post-conflict societies into prosperity.

**1.5 Nature of the implementing organization(s)** NGO

### 2. Description

#### 2.1 Objectives

The initiative aims to offer entrepreneurship training and coaching packages to diaspora members in the Netherlands who have ambitions to start a business back in their countries of origin.

In so doing, the initiative promotes circular migration and “brain gain” so that migrants who live in the Netherlands increasingly contribute to their home countries’ development, and help to strengthen migrant organizations in target countries.

#### 2.2 Target groups

The initiative mainly targets migrants from seven countries and regions, namely Ghana, Morocco, Somalia, Afghanistan, Iraqi Kurdistan and Surinam, of which the latter three are focus countries.

More specifically, the initiative targets diaspora members with entrepreneurial potential who want to set up a business in their country or region of origin, as well as owners of existing businesses in the Netherlands who want to start a franchise or sister business in the country or region of origin.

SPARK’s website has detailed information about the initiative and contact information of the programme coordinator so that potential participants can learn about the initiative and approach the organizer. The partners in other countries and areas also help reach the target groups.

#### 2.3 Approaches and activities

The initiative comprises two major activities:

1. Training. The training programme includes support for the creation of a business plan and provides knowledge on entrepreneurial skills, finance, marketing and sales. The duration of the training varies between two and four months.
2. Coaching. After successful completion of some training modules, there is a selection process. Additional coaching modules are offered to the selected participants in accordance with their needs.

The training for entrepreneurs originally entailed four training sessions. The content consisted of introduction to entrepreneurship, business plan writing, financial management and marketing. In 2016 the training sessions were increased to five, so as to include a session in which participants could

work on their own business plans. At the end of the training sessions, the trainees present their business plans to a professional jury. On the basis of their assessment and feedback, those who were selected received further support in the form of coaching and funding to conduct market research in their country of origin.

#### 2.4 Institutional setting

The implementing agency of the project is SPARK. The initiative is supported and funded by the Ministry of Foreign Affairs for a duration of three years.

The initiative also involves capacity-building for diaspora organizations in the Netherlands, such as Kurdistan in Business, DutchSom (Somalian), and BeLink (Afghan), and institutions in the countries of origin, including the chambers of commerce in KRG, and financial institutions in Somalia (Amalbank) and Iraqi Kurdistan (Directorate for Small Funds).

#### 2.5 Funding arrangements

The funding is from the Ministry of Foreign Affairs, at the amount of €1.9 million.

#### 2.6 Impact and results

Regarding the first target group, namely diaspora with entrepreneurial potential who want to set up a business in the country of origin:

- 1,200 participants were involved.
- 240 business plans were prepared.
- 120 businesses were registered.

Regarding the second target group, namely existing businesses owned by diaspora in the Netherlands who would start a franchise or a sister business in the country or region of origin:

- 36 business plans were prepared.
- 12 business plans were selected.
- 8 businesses were registered.

Total number of businesses surviving after three years: 96 (75 per cent)

### 3. Analysis and discussion

#### 3.1 Success factors and challenges

Key success factors:

The training package is well designed to support individuals in migrant groups. It is appropriate in terms of content and length. The level of the training is more suitable for start-up entrepreneurs than entrepreneurs with experience or existing businesses.

Main challenges:

The training could be made more relevant if it addressed the diversity of the group in terms of levels of experience, professional backgrounds, cultural background and knowledge. The training could be more focused on doing business in countries of origin by paying greater attention to cultural contexts. Language is an issue. The trainings were in Dutch, which for some participants was difficult to follow.

### 3.2 Replicability

Although the initiative has potential for replication in other countries, there has been little attempt to secure funding to continue or replicate the initiative.

However, as a result of the programme, an incubator has been created in Somalia, which has become a lasting structure. SPARK's network represents a resource for the development of future programmes.

## Case study No. 24 – Promoting Migrant Entrepreneurship (PEI), Portugal

### Success stories



**Paulo Eleutério and Tiago Vieira**, two Brazilian migrants who participated in the PEI, have created two long-lasting, profitable businesses in Lisbon, building on the support from the PEI initiative:

1. Discover Lisbon Apartments. This business provides self-catering accommodations in Lisbon, targeting tourists looking for local experiences in the heart of the city.
2. Tribo Tapiocaria Tapas Bar. This bar provides drinks and traditional food to tourists and the local community in the centre of Lisbon.

The second business has been established recently, partly on the basis of the success of the first one.

### 1. Basic information

#### 1.1 Initiative PEI

#### 1.2 Country and locality Portugal

#### 1.3 Time of implementation 2009–present

#### 1.4 Implementing organization(s)

Designer and promoter: National High Commission for Migrants (ACM)

Implementers: National Support Centres for Migrants (CNAI),

NGOs and local government agencies

#### 1.5 Nature of the implementing organization(s)

Central government agency

### 2. Description

#### 2.1 Objectives

The initiative is designed to help develop entrepreneurial mindsets and capabilities among migrants and to support migrants in the implementation of their business ideas. A particular focus is given to promoting sustainable forms of entrepreneurship and to formalizing existing businesses in the informal economy.

#### 2.2 Target groups

The initiative targets the migrant community in Portugal, particularly those in vulnerable neighbourhoods. There are no selection criteria for participants, but migrants who already have a business idea are specifically targeted. In order to recruit participants, the ACM publicizes information about the project on its website and also uses social media platforms such as Facebook to raise awareness of the project.<sup>65</sup> Local implementers are also responsible for promotion and outreach.

#### 2.3 Approaches and activities

The initiative has three main areas of activity for capacity-building:<sup>66</sup>

1. Business skills training: This 10-week course comprises 10 group sessions and 8 individual sessions. Topics covered include the business environment and entrepreneurial competencies.
2. Individual support sessions are designed to provide participants with tailored advice and support for the implementation of their business plans.
3. Workshops and events allow participants to learn from experienced guest speakers, as well as to network with these speakers and other programme participants.

The coaches who deliver the training sessions and help participants develop their business plans are professionals with direct experience of creating and running a business.

#### 2.4 Institutional setting

The programme was designed and promoted by the National High Commission for Migrants (ACM), Office for Active Migrants in Portugal (GAEM), which has been providing support for entrepreneurship since 2006.<sup>67</sup> The initiative was implemented by the National Support Centre for Migrants (CNAI) in three major cities (Lisbon, Porto and Faro). It was then implemented in other cities in Portugal, with the support of various types of organizations, including NGOs, immigrant associations and local government agencies, working in partnership.

The courses and events take place at the premises of the local implementing organizations. Some of these organizations also provide facilities for participants, such as office space, computers and internet connectivity, in order to help them further their business plans.

#### 2.5 Funding arrangements

The initial implementation of the programme in the three major cities was funded through the ACM's internal budget. The implementation of the programme in other cities was supported by a fund of €160,000, which was provided by the Asylum, Migration and Integration Fund established by the European Commission.<sup>68</sup> Local implementing organizations are expected to contribute 25 per cent of that sum, which brings the total programme budget to €200,000.

#### 2.6 Impact and results

- Between 2009 and June 2017, some 2,140 migrants participated in the programme, and 143 businesses were created.
- Between 2009 and 2013 the survival rate for the entrepreneurial initiatives established through the PEI was 72 per cent. This rate is significantly higher than the national business survival rate, which is 23 per cent (in the fourth year of existence).<sup>69</sup>
- Programme participants have enhanced their language skills, financial literacy and sociocultural understanding.<sup>70</sup>

### 3. Analysis and discussion

#### 3.1 Success factors and challenges

Key success factors:

- ACM's large network of partners, which helps it to reach the targeted beneficiary groups;
- Its responsible approach to entrepreneurship (not placing undue pressure on participants to create businesses);
- A supportive, family-like environment for participants, promoted by programme trainers.

The CNAI has strong implementation capacity. In 2005, it won first prize for service provision in the Best Practices in the Public Sector Awards. It was also featured as an example of best practices in the European Commission's Handbook on Integration for Policy-Makers and Practitioners.

Main challenges:

- Replicating the programme in collaboration with local implementing organisations.

### 3.2 Replicability

The programme's potential for replication is high: the pilot programme launched in 2009 has already generated positive, concrete results and has already been successfully replicated in other cities by partnerships of government agencies and other organizations such as NGOs and migrant associations. In order to support further replication both in Portugal and abroad, ACM has produced an implementation guide for the programme.

Any future replication efforts should take the following recommendations into consideration:

- Implementing organizations should conduct a thorough assessment of the migrant group's particular needs.
- Implementing organizations should partner with local grass-roots organizations which can help provide access to target beneficiaries. These partner organizations should also be involved in the process of business creation.
- Implementing organizations should have local staff who can help to refer migrants to other alternative or complementary support services.
- Implementing organizations should recruit appropriate trainers to deliver the business skills training and provide individualized support to participants. These trainers should have business expertise and, ideally, personal experience of entrepreneurship. Trainers must also be able to adapt the training to the particular needs of participants.

## Case study No. 25 – Ester, Sweden



### Success stories



**Ela** from Turkey started her business in March 2015. She took an Ester loan to finance investment in two containers to culture mushrooms. Ela concluded a deal with a big wholesaler, and her mushrooms are available in ICA stores in south Sweden.

**Ladachart** is from Thailand and has lived in Sweden for just over four years. She has university education in marketing and had her own advertising agency in Bangkok. One of her hobbies is collecting porcelain. In March 2016 she started the company "We Love Vintage" to sell European-brand and vintage porcelain to private individuals in Southeast Asia. She took an Ester loan to finance the inventory. Eventually she will expand with sales in cosmetics and home decoration.

**Sandra**, from Lithuania, accompanied her husband, who worked in a shipyard, to Sweden but did not manage to find a job as an engineer. In March 2016 she created the SWELDA limited company with her husband. The company sells consultancy services related to quality assurance. The company has concluded contracts with four companies in Helsingborg and Gothenburg. The company has offices in both cities and contracts with subcontractors. In parallel, Sandra runs a photo company.

**Erina** started her business in October 2014. She started with catering and cooking courses at the home of customers. In 2015, she expanded the business by four self-made spice mixtures. The company has invested in equipment and paid for further education in Bangkok. The company operates in a caravan outside Helsingborg.

### 1. Basic information

#### 1.1 Initiative Ester Foundation

#### 1.2 Country and locality Sweden, Helsingborg

Sweden has a foreign-born population of about 1,7 million, which amounts to 17 per cent of the population.<sup>71</sup> Government and local authorities are working to promote integration, among other ways, through migrant entrepreneurship.

#### 1.3 Time of implementation Since 2012

#### 1.4 Implementing organization(s) Ester Foundation

#### 1.5 Nature of the implementing organization(s) Non-profit organization

### 2. Description

#### 2.1 Objectives

The objective of the Ester Foundation is to give unemployed women with a migrant background an opportunity to become self-employed and/or self-supported.

Ester considers itself not to be a traditional charity project, but rather a training institution, with the goal of the immigrant women starting profitable businesses, entering regular financial institutions and being able to build their lives and new futures.

Ester states that Sweden has one of the world's most segregated labour markets, which disadvantages women in particular. In Skåne almost every other woman with a migrant background is unemployed. Unfortunately, the prospects are not good. Despite solid education and many years of experience,

women who lack language, knowledge and personal contacts today have very limited opportunities to achieve self-sufficiency.

Ester aims to provide marginalized women a fair chance and, above all, to give them their self-confidence back. Ester's strategy is to help marginalized women overcome exclusion through entrepreneurship, through a combination of training, coaching and guidance. Ester helps participants build new networks, develop their business idea and develop a sustainable business plan. If necessary, Ester also helps them find capital to start the business.

Ester's vision:

- Support immigrant women independence
- Promote social cohesion.
- Create more companies in the municipality.
- Save money, turn costs to revenue.

#### 2.2 Target groups

Ester offers unemployed women with immigrant backgrounds living in the region of Skåne a path to self-sufficiency. Participating women come from all over the world – Ghana, Iraq, Thailand, Indonesia, Bosnia – and have experienced traumatic upheaval and oppression.

#### 2.3 Approaches and activities

Ester offers two programmes and opportunities for microfinance:

1. Pre Ester (9 weeks)
2. Ester (18 months)

Pre Ester is a programme for women who are new to Sweden, mostly refugees.



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This is an introduction to entrepreneurship with training in Swedish language, as well as business knowledge and personal leadership skills. Some of these women will later participate in the Ester programme.

The Ester programme extends over 18 months and is divided into three six-months phases: Education, Start and Driving.

Education phase: Full-time training in entrepreneurship and basic knowledge required to start a business. Each participant will be part of smaller group of 5–10 women, that will meet each week for common training, individual studies, field trips and other activities, for instance, practical training. The women learn about personal leadership, entrepreneurship, marketing and sales.

A personal business adviser is provided to each participant. The adviser and participant work closely together to develop a business plan and assess its feasibility. The first six-month phase ends with a business plan.

Start phase: The participant focuses on the registration of the company. The business adviser offers support during the start-up period and helps to find first customers and financing through Ester's microfinance product.

Driving phase: In the third phase of coaching and mentoring, the role of the Ester Foundation is limited to advice and support where needed in the first stages of the company's life.

After completion of the programme and approval of the business plan, Ester offers opportunities for microfinance so that participants can obtain loans in a less costly way and with reduced risks. This is enabled through a collaboration with Swedbank (one of the Swedish banks) and Johaniterhjälpen (a charity organization). The charity has set up an account which guarantees 80 per cent of the loan of each entrepreneur, with the loan to be paid back within three years. The amount of the loan may vary between SKr 20,000 and SKr 300,000 (€2,000 to €30,000). The interest rate is currently about 3 per cent: the home mortgage rate applicable on the contract date plus 1–2 percentage points.

Furthermore, if the business plan of a participant has been approved by the Swedish Employment Agency, she can receive financial start-up support from this agency and is allowed to obtain loans from Swedbank. This funding provision, both through the microcredit system and the Swedish Employment Agency, is possible thanks to close collaboration with partners through formal and informal networks.

#### 2.4 Institutional setting

Ester cooperates with Swedbank and the help organization Johaniterhjälpen to provide microloans and financial advice. The board consists of people with a broad experience from Swedish and international business.

#### 2.5 Funding arrangements

All funding for running the programme is received from the government and local authorities, private companies and some foundations. The women participating also receive monthly grants from the Swedish Employment Agency and/or welfare support from the social authorities. Upon successful assessment of the business plan, the beneficiary is supported in applying for the start-up grant provided by the Swedish Employment Agency.

#### 2.6 Evidence on impact

Ester informed about 100 women about starting up a business. A total of 21 women participated in five training courses in the Skåne Pilot Project. All had been unemployed for six to eight years. Six of them have started up new companies, 10 have gotten a job and 5 are still looking for a job. That is, almost 80 per cent of the unemployed women are no longer living on support from the government.

In Stockholm seven women participated in Pre Ester in 2017. In 2018 there will be 10 women participating.

### 3. Analysis and discussion

#### 3.1 Success factors and challenges

Key success factors:

- Knowledge capital: training in personal leadership and how to initiate a business, from business concept to start-up
- Social capital: developing contacts with other participants in the programme and with individuals, organizations and companies valuable for the future business
- Financial capital: the possibility to get a bank loan after the training is completed and the business plan is approved
- Coordination and cooperation between authorities, private companies, banks and foundations
- Follow-up support to the women in small groups for 18 months
- Guidance tailored to the needs of participants, covering many topics

Main challenges:

Participants' social benefits stop the day they register their company. They receive benefits during the first 6 months of the programme, but not during the last 12 months after business start-up. Ester is in contact with government and local authorities to find a solution, but this will take time.

Securing funding for Ester operations is another challenge. Ester has been successful in finding funding for project leaders and trainers, although the funding does not cover all the time spent by the two founders that run the programme. Moreover, the funding commitment is short term, which makes it hard to recruit high-quality staff.

Another challenge is finding capable and committed mentors for the business activities. Ester is now working with the Stockholm School of Economics to solve this problem.

Making sure that the loan guarantee scheme can continue is another issue. The guarantee helps (previously) unemployed migrants with limited collateral and knowledge of the Swedish language and business environment to get a bank approval for their loan application. The loan guarantor never had to pay for any of the Ester loan applicants. However, it is uncertain for how much longer Johaniterhjälpen will be able to continue guaranteeing the loans.

#### 3.2 Replicability

The programme has already proven to be replicable: Ester has started up in the Stockholm Region. Key requirements for replicating the initiative are funding and motivated leaders who are committed enough to put a lot of time and effort into running the program without financial reimbursement.

Recommendations:

- It is important to have a long time commitment, as the target group requires long-term support.
- It is of utmost importance to teach participants both "hard" and "soft" skills, e.g. personal leadership, finances and entrepreneurship.
- It is necessary to find committed mentors that understand entrepreneurship and small businesses. They should also understand that it is different to work with this target group of migrants that have a lot of motivation but lack good language skills and knowledge of local society and the business culture.

## Case study No. 26 – Capacity, Switzerland

### Success story



**Kebede** is a 35-year-old Ethiopian who arrived in Switzerland in 2014, together with his wife. He went through the Capacity entrepreneurship training programme in 2017 and set up a school in southern Ethiopia, which serves different parts of the local community. Children no longer have to walk two hours a day to reach school, and adults have the opportunity to study sustainable agriculture. Kebede is looking to establish linkages between the school and other sustainable activities, such as renewable energy projects and sustainable tourism businesses. For many years Kebede has been working with great passion in tourism in Ethiopia. He loves his country and is eager to show its beauty, but also to give as much benefit as possible to his compatriots, especially the less favoured groups of the population. Capacity's entrepreneurship training allowed Kebede to develop new skills in social entrepreneurship and develop business linkages within a local community.

### 1. Basic information

**1.1 Initiative** Capacity

**1.2 Country and locality** Zurich, Switzerland

**1.3 Time of implementation** May 2016

Runs seven-month start-up programmes

**1.4 Implementing organization(s)** Capacity Zurich

**1.5 Nature of the implementing organization(s)** NGO

### 2. Description

#### 2.1 Objectives

Capacity supports people with refugee and migrant backgrounds living in Zurich in starting their own business or social and/or cultural initiatives.

#### 2.2 Target groups

Refugees and migrants who can demonstrate linguistic capacity (English or German at B1 level) and also non-N-permit refugee or migrant status.

#### 2.3 Approaches and activities

- 1. Opportunities for networking and collaboration** – creating spaces where refugees, migrants and Swiss people can get to know each other. Many of these have a specific business focus to support refugee and migrant integration into the Swiss work community.
- 2. Workshops and training events** on business and integration topics.
- 3. Mentoring programme** – Capacity trains mentors and trainers, who then have one-to-one sessions over the course of seven months (with at least four hours per month). Through this process, participants formulate an action plan and receive a certificate of entrepreneurship training from Capacity Zurich and the Canton of Zurich.

The seven-month programme includes several activities:

- Participation in three public events (pitching events, roundtables, public seminars) where participants have to showcase their venture and pitch their business ideas
- Two weekend workshops from 9 a.m. to 5 p.m., to receive training and prepare for these public events
- A training day every two weeks as part of a co-working day with trainers
- A minimum of four hours of mentoring per month with their mentors
- Homework tasks

The training and workshop are based on a curriculum developed by Capacity based on two methods: The Lean start-up method and Theory U, by Otto Scharmer (a theory of social transformation). These methods have elements of personal development, which is important if the training needs to be contextualized to the environment in which the participants operate.

#### 2.4 Institutional arrangements

Capacity is now a full partner of UBS, which provides funding through 2020. This partnership also means that Capacity Zurich has access to the UBS corporate volunteering programme, which offers additional in-kind support; for example, UBS staff can assist with marketing, fundraising and

IT development, and the like. Capacity has also entered into a partnership with SINGA Switzerland, which means that SINGA participants in the ideation stage of their start-up development will be redirected to Capacity. The Impact Hub Zurich provides Capacity with office space, visibility, network facilitation and the exchange of ideas. The Kanton of Zurich is also a non-financial partner, which certifies and provides a certificate for each graduate of the entrepreneurship training.

#### 2.5 Evidence on impact

Currently, 21 participants are enrolled in the programme. They are pursuing projects such as organic fair trade textiles manufactured in Nepal and sold in Switzerland, graphic design using artificial intelligence for architecture visualization (Colombia), and a chat box for language learning. The participants come from the Syrian Arab Republic, Afghanistan, Eritrea, Ethiopia, Colombia, Hungary, Spain, Azerbaijan, Zimbabwe and Ghana. They are highly skilled (each has at least a bachelor's degree). Capacity's key performance indicators are that each participant develops a business plan and completes the training programme (at which point they receive a certificate). Overall, Capacity reports an 85–90 per cent programme retention rate.

#### 2.6 Funding

Funding from UBS Group AG covers the operational costs of the programme (three public events, two workshops per week). The mentors contribute to the program as volunteers. Volunteers also help with Capacity's daily operations.

### 3. Analysis and discussion

#### 3.1 Success factors and challenges

Key success factors:

- Active and involved mentorship enables aspiring entrepreneurs to develop projects of a higher quality and to complete the training more successfully.
- Several factors pertaining to the participants themselves are important; one is whether participants are employed while they undertake the programme. Because the programme is quite demanding and challenging, participants who are employed full-time face challenges in finishing it. Another factor is whether the participants receive unemployment benefits, as these are conditional on the individual actively seeking employment – and the Capacity programme does not count as “formal” training in this regard. Whether a participant has children also influences successful completion – those without children find it easier to complete the training. The conditions associated with different types of work permits also influence what a participant can do – for example, whether they can register as self-employed or as a partner in a business venture. Another critical success factor is simply the motivation and persistence of participants, which affects whether they drop out early or continue with the programme.
- Partnerships with high-profile private corporations such as UBS are crucial for the programme, not only in terms of the financial and in-kind support provided, but also in terms of the credibility that the UBS brand lends to the programme. Capacity has found that the stamp of approval that their partnership with UBS has provided has helped Capacity to gain traction with governmental institutions.

- A lack of hierarchical relations: Capacity staff, participants, trainers and volunteers interact on a level playing field. Social status is erased as much as possible. The first meeting is not about what participants do or used to do or what the mentors do. The feedback given by UBS, the participants and the trainers underlines the importance of this level playing field, which is the main reason that UBS chose Capacity as a full partner.
- Capacity staff has personal experience of systemic exclusion, which means they understand the difficulties of accessing the labour market that migrants and refugees face.
- Recruitment of participants is done through social media and at events. The recruitment of trainers and mentors is done by promoting Capacity at cross-sector and cross-industry events and forums.

Main challenges:

- Establishing an NGO in Switzerland is difficult.
- Recruiting participants can be difficult; Capacity visits refugee shelters and migrant communities to engage people in the program but many refugees and migrants are sceptical because they have encountered so many closed doors before.
- Recruiting volunteers can be challenging.

### 3.2 Cost-benefit analysis

The funding from UBS is enough to cover the basic activities of the seven-month programme. It is enough to accomplish the main objectives, provided there are volunteers and mentors. The programme, which is free for participants, costs 5,000 USD per individual (including food, transport, the organization of events and small fees for some of the mentors who are professional self-employed coaches). Capacity publishes an annual report including an impact analysis done by an independent third party (an individual consultant).

### 3.3 Replicability

Successful replication depends primarily on partnership with an organization such as the Impact Hub Zurich, without which Capacity could not exist. Impact Hub Zurich provides Capacity with offices, as well as with a community of like-minded entrepreneurs, volunteers and people who can share ideas and information. Capacity is moving to establish partnerships and “subsidiaries” in Bern and Geneva but is also exploring opportunities outside of Switzerland, depending on the personal connections and network of Capacity staff, most of whom (80 per cent) are not Swiss.

## Case study No. 27 – SINGA Factory, Switzerland



### Success story



**Ayantu Abane** has created a book for Ethiopian or Eritrean children (minimum age, 4 years old) children to learn Amharic that can be used together with an electronic smart pen. The pen enables them to learn Fidal, the alphabet of their mother tongue Amharic or Tigrinya, which has 260 letters, in a playful way. They can press the smart pen on a letter or word on a page in the book and the correct pronunciation will be played back to them.

**Ali Ibrahim**'s business idea, Re-Portal, is to collect donated electronic devices no longer used in Switzerland and buy second-hand ones to make them available to students in developing economies, starting with Pakistan. Re-portal will ship purchased or donated electronic devices, primarily smartphones, tablets and laptops, to Pakistan, where local retail partners will repair, distribute and resell them. Thereby, students and universities in developing countries can obtain high-quality, second-hand laptops or smartphones.

**Loucia Alsokt** started the SINGA Factory with an idea to create an online platform connecting large-scale producers of agricultural products in Switzerland and Europe with Middle Eastern buyers. She has put this project on hold to focus on her family's health and perfect her German, while remaining in the SINGA mentoring program. She is an agricultural engineer and ran a successful agricultural pharmacy business in Syrian Arab Republic before the war.

**Ashford K. Tsita**'s business project, AskPolelo, will provide an online support service for young farmers in South Africa, to attract them back to sustainable agriculture. Through an app and a website, farmers can receive market information – for example, on pricing – and buy, donate and sell seeds, as well as lease their farmland for agricultural research.

## 1. Basic information

1.1 Initiative SINGA Factory

1.2 Country and locality Switzerland

1.4 Implementing organization(s) SINGA Switzerland

1.5 Nature of the implementing organization(s) Business start-up

## 2. Description

### 2.1 Objectives

SINGA Factory Switzerland is an entrepreneurship development programme for refugees and migrants who wish to create a business in the high-tech industry. The programme offers practical knowledge on how to start a business and provides participants with opportunities to network with investors, partners and potential clients. SINGA Factory promotes the entrepreneurial potential of refugees, while offering new momentum to the Swiss economy.

### 2.2 Target groups

SINGA Factory is the first start-up programme in Switzerland for people with refugee or migrant backgrounds who want to start a business in the tech industry. Applications are open to people from a refugee or migrant background who have come to Switzerland from outside of the EU/EFTA zone. The program is also open to Swiss and EU citizens, provided they start a business with an entrepreneur from a refugee or migrant background. The focus of the first cycle of the SINGA Factory is on tech start-ups. Proposed business ideas could include, for example, the creation of an app or e-commerce business, or could be based on online business models and software development. The first cycle focused on entrepreneurship in the tech industry because IT-based start-ups typically have low investment requirements and the SINGA Factory has access to a good network of tech start-ups in Zurich. Moreover, newcomers often see things from a different angle and can therefore contribute to further innovation in the field. In many cases, participants have completed a high-quality education in their country of origin.

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### 2.3 Approaches and activities

Over the six-month, part-time programme, the participants benefit from training sessions, one-to-one mentoring, legal and funding advice, and access to a network of specialists, partners and businesses. The program is specially designed to take into account the specific needs of entrepreneurs from refugee and migrant backgrounds. The program is co-created by the SINGA Factory and the participants through a human-centred design process, to identify participants' key challenges and to design a programme which will best enable their success. The programme takes about 15 to 20 hours per week, including one to two workshops, one-to-one professional mentoring, regular co-working sessions, one-to-one coaching and access to an expert network as well as a weekly language café. It costs SwF 100.

### 2.4 Institutional arrangements

SINGA Factory is supported by Engagement Migros, the development fund of the Migros Group (<http://www.engagement-migros.ch/en/pioneers/singa-factory>). It has funding for three years, which gives the organization the security to plan its gradual development, to partner with researchers and evaluators, and to develop a sound business model. The evaluation of the SINGA Factory is being conducted by the University of Applied Science in Bern. SINGA Switzerland has also initiated a research project with the Graduate Institute in Geneva on entrepreneurship and factors affecting the employment of refugees in Geneva. The project might serve as a basis to possibly bring SINGA and the SINGA Factory to Geneva.

Employees at Google, PWC and AXA are doing pro bono work as coaches and mentors for SINGA Switzerland. The law firms Aquilaw and Wenger & Vieli are offering free workshops and legal advice. SINGA is also actively collaborating with NGOs working with migrants, such as Powercoders, a coding school for refugees, which designed the SINGA website.

### 2.5 Impact and results

SINGA Switzerland completed its first cycle of the SINGA Factory in March 2018. Of 10 participants only one has dropped out. Other impact measures will be contained in the evaluation report due by the end of 2018.

### 2.6 Funding

Engagement Migros Development Fund

## 3. Analysis and discussion

### 3.1 Success factors and challenges

Key success factors:

The SINGA Factory works primarily with people from refugee and migrant backgrounds. Thus the following factors are important:

1. Funding from private sector sources is important, especially because public authorities in Switzerland tend to follow the lead of the private sector. It is therefore important to encourage or incentivize the private sector to take the lead in supporting migrant and refugee entrepreneurship.
2. Robust data must be generated in order to feed impact assessments, which are crucial for the development of programmes in such a new field. SINGA recommends that organizations working to support refugee and migrant integration involve reputed research institutes and universities to help with monitoring and evaluation.
3. Context is important: Implementing organizations must address the needs of the community for which the programme is designed. SINGA is partnering with a group of students in Geneva who are doing research on refugee communities in order to better understand what their particular needs are. Inspired by SINGA Germany in Berlin at the beginning of the programme design, the SINGA Switzerland team assumed that entrepreneurship training workshops were essential. But it soon realized that fewer workshops and more one-to-one coaching sessions would better meet participants' needs and improve the programme's effectiveness. As a result of this learning process, SINGA Switzerland will increase the number of one-to-one coaching and co-working sessions, and also include more competitive elements in the beginning of the programme as part of the recruitment process.

Main challenges:

Obstacles to the programme's success are that entrepreneurs have to come up with a business plan by the end of six months, and have it approved by relevant public authorities, which is heavily dependent on the person's legal status, as well as personal characteristics.

### 3.2 Replicability

Projects such as the SINGA Factory are replicable, and benefit from a supporting infrastructure, such as that provided by the Impact Hub, which helps with networking and events organization capacity.

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## Case study No. 28 – MIRARES, Argentina

### Success stories



**Nacha** is a 30-year-old asylum seeker from Congo who arrived in Argentina in June 2016, together with her husband and children.

When she contacted MIRARES in the beginning of 2017, the family was unable to buy food, thus having to eat at the soup kitchen each day. Owing to their lack of Spanish skills, she and her husband were not able to obtain employment. They were assisted in attending a Spanish course, and Nacha received a PIE in March 2017 to sell women's clothing at a fair organized in the Villa 31 neighborhood, after analysing the local market. A month after starting the venture, their children no longer had to go to the soup kitchen but had lunch and dinner at home. A couple of months later, with improved Spanish skills and profits, Nacha started attending the vocational training on hospitality which MIRARES offers in cooperation with the National University of Quilmes. She successfully completed it in December. Her husband began a gastronomy course.

**Cristian** is a 24-year-old asylum seeker who arrived in Argentina in March 2017, together with his girlfriend. Currently they are expecting a child. At the time of contacting MIRARES in April, they were living in a very low-standard family hotel with a shared bathroom, generating some irregular income by helping a local sell coffee in the street. Noticing that there was potential for income generation in the short term while strengthening his technical skills and seeking employment, Cristian requested a PIE of Arg\$7,000 (approximately US\$350) for starting his own micro-business selling beverages. He also got involved in the leather industry, and due to his transferable work experience as shoemaker in Colombia and his entrepreneurial spirit, he soon became a tutor. In December he obtained a part-time job in a cleaning enterprise, while still engaging in the production modes and continuing with his venture. The couple was able to move into an apartment and cover their basic needs. Through the project, Cristian built a solid network with people and organizations in the production modes, obtain skills in setting up and leading a business, and sees his future as an entrepreneur in the country.

**Sephora** and **Weasly** are a Haitian couple of asylum seekers, 30 and 31 years old, who have been living in Argentina since 2014. They got in touch with MIRARES in March 2017, as they needed support for increasing their income, considering that they hardly generated any profits and that Sephora was six months pregnant. She was selling clothes to acquaintances, and Weasly was irregularly selling alcoholic beverages in a market for another person, getting paid on the days he

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worked. Analysing their capacities and considering the demand for juices in the market of the social economy in Avellaneda, where MIRARES is active, the couple developed a business plan and received seed capital of US\$80 to open up a stand in the market, selling fresh juices each weekend. While their income increased considerably, their costs did too, due to the birth of their child. Based on demand, they requested a microcredit of US\$300 in September to increase their product line and professionalize their business through purchase of a second mixer, work clothes, and raw materials for food and juices. They managed to pay their instalments on time and are now able to cover their basic needs.

**Idriss** is a 19-year-old man from Mali who arrived in Argentina in 2016. He has not completed primary education and upon arrival did not speak any Spanish. He lives with a friend who in the past was assuming the cost for living. Idriss was referred to MIRARES by the government in August 2017 as he was interested in setting up his own business. He received a PIE of US\$300 in August 2017 to sell jewellery in the market in Laferrere. He had worked there previously and thus knew the demand, and was able to develop a business plan with MIRARES. He also received support to access the rental subsidy offered by the city of Buenos Aires, thus allowing him to not work full-time but finalize his primary school education. His current net profit is about half a minimum wage per month, which together with the rental subsidy allows him to meet his basic needs. In November he was recognized as a refugee and is currently processing his ID, which will also open up more possibilities for wage employment.

Source: <http://www.mirares.com.ar/>

## 1. Basic information

**1.1 Initiative** Start and strengthen your business

**1.2 Country and locality** Argentina, Buenos Aires

By the end of 2017 there were over 8,350 persons of concern in Argentina, including about 3,360 refugees. The majority come from Armenia, Colombia, Cuba, Haiti, India, Liberia, Nigeria, Peru, Syrian Arab Republic, the Russian Federation and Ukraine. The population is urban, with the majority living in Buenos Aires city and surroundings.

**1.3 Time of implementation** September 2016–present

**1.4 Implementing organization(s)** MIRARES Foundation is an organization that supports refugees and migrants in Argentina and aims to integrate them into the local society.

**1.5 Nature of the implementing organization(s)** Non-profit organization

## 2. Description

### 2.1 Objectives

The objective of MIRARES is to strengthen the entrepreneurship capacities of asylum seekers and refugees in Buenos Aires with the purpose of achieving their socioeconomic integration in the country. To achieve this, programme offerings include

- providing general guidance and support to asylum seekers and refugees, according to local context, conditions and opportunities for income generation (both wage and self-employment).
- providing technical support for business set-up to micro-entrepreneurs.
- facilitating access to financial support through seed capital, microcredit and social protection schemes.
- strengthening businesses through capacity-building, product development, networking, inclusion in social economy initiatives and linkage to value chains.

### 2.2 Target groups

The main target groups include refugees, asylum seekers and migrants. Seed capital targets refugees and asylum seekers living below the national poverty line, whereas other projects are open to all groups, with a strong emphasis on networking and socioeconomic inclusion.

### 2.3 Approaches and activities

The programme is based on a comprehensive strategy and entails various projects and activities that complement each other. Participants may access several projects depending on their own interests, abilities and needs. The main activities:

**Orientation and social inclusion of asylum seekers and refugees:** MIRARES conducts an in-depth interview with applicants to assess their situation in terms of housing, health, education, work experience, knowledge and skills. They assess both existing skills and skills that may be acquired to support local integration. A profile of the applicant is put into a database to facilitate job placements, analysis and advocacy, and to develop new targeted activities.

**MIRARES organizes intercultural workshops** to promote familiarization of the target group with the Argentine culture and the local context in general. The workshops allow participants to share experiences and concerns. They also guide participants in the initial steps to access the country's institutional, social and productive systems (obtaining a home address, bank accounts, education, and the like). The workshops have a participatory methodology to encourage people to express themselves and connect with others as part of their local integration process.

**Project Initiating Entrepreneurs (PIE):** Each recipient participates in a training process that aims to develop the skills and competencies of participants through the evaluation of their knowledge and experience; develop a business plan; and provide longer-term support to participants' new business ventures over a 12-month period. Once the business plan has been approved, MIRARES provides seed capital, which is currently still funded by UNHCR, with an average amount of about US\$350 per start-up.

In **cooperative incubators** participants can share the use of premises, machinery, tools and inputs. Cooperative production spaces for carpentry and leather products have been set up in coordination with key supporting functions of the respective value chains. Entrepreneurs are producing and selling products here while learning from each other. This makes possible networking and exchange of ideas for new product design, communication and marketing strategies.

The **technology access room**, with 10 computers and internet access, enables participants to search for information, write resumes, find employment, communicate via e-mail and through social networks, and develop brochures or other promotional tools for their ventures. Technical service providers train participants in the use of information and communication technology, Word, Excel and design tools.

The **Microcredit Program** aims to strengthen the businesses of migrants and refugees through access to finance and technical support. It is developed within the framework of the National Microcredit Law. To access this program, entrepreneurs must (1) operate an enterprise for at least one year; (2) produce with a credit adviser a diagnosis of the venture assessing revenues, costs and profits; and (3) have a guarantor who co-signs the microcredit contract. The microcredits are funded by the government and have an interest rate of 6 per cent, which is favourable considering that the official inflation rate is about 20 per cent. The credit amount is about US\$300–1,000 per venture.

Service providers help entrepreneurs to **strengthen their marketing** strategy by participating in fairs and events and using online shops and social networks to present and sell their products or services. For instance, participants offer textiles, artisan bijouterie and gastronomic books connected to their countries of origin.

Different cultural events are being organized to make visible diversity, to promote refugee and migrant entrepreneurship and to raise awareness about the value of diversity.

## 2.4 Institutional setting

MIRARES is the main UNHCR livelihoods partner in Argentina. Assistance to refugees and asylum seekers is provided in line with the humanitarian assistance and local integration plan by the National Refugee Commission (CONARE) and in coordination with key institutions from the public and private sector, academia and civil society.

## 2.5 Funding arrangements

MIRARES receives support from several governmental institutions, private companies, universities and volunteers. UNHCR co-funds MIRARES through salary contributions, operational support and the provision of seed capital (an average of US\$350 per venture).

The Microcredit Fund that is available for existing entrepreneurs supported by MIRARES is financed by the National Microcredit Commission of the National Ministry of Social Development and amounts to about US\$18,500, and is renewable.

## 2.6 Evidence on impact

By the end of 2017, of 200 people who attended, 50 had established businesses with MIRARES support and UNHCR seed capital. About 75 people were trained on business set-up and/or technical skills regarding their business idea, in coordination with partners.

Through a mentoring scheme, MIRARES has been able to help six entrepreneurs restart businesses that for different reasons they had lost. Mentors are refugee entrepreneurs who received support from MIRARES in the past.

MIRARES guided the development of carpentry and leather-working spaces, which are now fully functional and enable production, capacity-building and networking for an average of 25 workers at a time.

## 3. Analysis and discussion

### 3.1 Success factors and challenges

Key success factors:

The integral, holistic approach of the MIRARES programme, the close coordination with other business support initiatives, and the focus on sectors with potential for economic growth are fundamental to effectively supporting sustainable livelihoods.

Main challenges:

Participating asylum seekers and refugees are facing challenges such as social and economic vulnerability, an urgent need to generate income, difficulties in accessing adequate housing, a lack of language skills, a lack of awareness of local cultural habits, a lack of business experience in Argentina, difficulties in getting professional and educational experience from their home country recognized and certified in Argentina, and the private sector's lack of knowledge of asylum seekers and refugee's right to work.

### 3.2 Replicability and recommendations

The initiative's sustainability depends on co-funding of seed capital and microcredit grants by the government, as well as access to public policies and technical and financial support through networks with other partners.

Monitoring instruments must be constantly adjusted to suit the needs of each project, this may delay implementation but produces noticeable results.

## Case study No. 29 – Living integration, Costa Rica

### Success stories



Source: <http://help.unhcr.org/costarica/en/>

**Giovanni Acosta**, a Colombian refugee, was one of the winning micro-entrepreneurs. He runs God Monk, a design and clothing business for young people. He commented on the process, "it was a very hard time of work where we have worked every day; certainly the trainings were a great help for us and we also had the opportunity to meet other colleagues who were in our same situation and that was a push to move forward."

When **Ricardo Ángel**, **Miriam Velásquez** and their children fled the armed conflict in Colombia in 2002 they reached Costa Rica with little more than hope. Now 15 years on, the couple run a highly successful gluten-free bakery in the Central American nation's capital, San José. "There was a lot of uncertainty when we left Colombia but we have been able to sow these seeds of success," says Ricardo. "We received a lot of support as refugees and we are hard-working people," says Ricardo, who noted that the help the family received allowed them to overcome obstacles when they first arrived.

## 1. Basic information

### 1.1 Initiative

Living Integration: Vivir la Integración ([www.vivirlaintegracion.cr](http://www.vivirlaintegracion.cr))

### 1.2 Country and locality

 Costa Rica

The country's political stability, relatively high standard of living and fast-growing economy have made the country an attractive destination for migrants, particularly from Central America. It has traditionally been a country of destination for people seeking international protection within the region, with 80 per cent of asylum seekers coming from Colombia, El Salvador and the Bolivarian Republic of Venezuela. By the end of 2016, there were about 8,000 persons of concern in Costa Rica, including over 4,000 refugees.<sup>72</sup> The General Law on Migration and Foreigners in 2009 and the National Integral Policy on Migration (2013–2023) were first steps towards creating a comprehensive policy framework on immigration. The law and policy

are noteworthy for their definition of integration that included immigrants, returnees and the diaspora. Costa Rica allows refugees two asylum appeals and grants them the right to work and attend schools while their petitions are processed. Because Costa Rica is the country with the second largest refugee population in Latin America and legally provides all conditions required to promote the integration of refugees, UNHCR chose Costa Rica (together with Egypt and Ecuador) in 2014 to implement a pilot project of the Graduation Model. Currently, UNHCR is running the Living Integration programme in Costa Rica based on that model.

**1.3 Time of implementation** Since 2014

**1.4 Implementing organization(s)** Women Foundation<sup>73</sup> and the Ministry of Labour

**1.5 Nature of the implementing organization(s)** NGO and government

## 2. Description

### 2.1 Objectives

Living Integration is the UNHCR Livelihoods programme in Costa Rica to support refugees and asylum seekers in improving their local integration. The objective of the programme is to empower vulnerable refugees to build sustainable livelihoods through employment or self-employment.

### 2.2 Target groups

Potential beneficiaries are refugees and asylum seekers, or former refugees who are now naturalized or permanent residents of Costa Rica and are facing great difficulties in the country.

Participants come mainly from El Salvador, Colombia and the Bolivarian Republic of Venezuela. They were selected after a competitive process to participate in a program that seeks to enhance their skills as entrepreneurs.

### 2.3 Approaches and activities

In Costa Rica UNHCR field-tested a multi-year Comprehensive Solutions Strategy which considered local integration as the most appropriate and feasible solution for the majority of refugees in the country. The strategy was designed and implemented following four pillars:

1. Economic: foster economic self-reliance and integration into the local market
2. Sociocultural: promote refugees' and asylum seekers' engagement and sensitization of society in general
3. Legal: progressively acquire rights to obtain legal integration in the country
4. Outreach and advocacy: inform refugees of their rights and integration programmes, sensitize society about refugees and institutionalization of integration programmes within the state programmes

The main approaches for the economic pillar are "Living Integration", the "Graduation Model" and advocating for equal access to government programmes.

"Living Integration" starts by assessing the most relevant productive sectors for the participants as well as their training needs. According to the market's current demand and the skills and interests of participants, comprehensive coaching is offered, towards either employment or self-employment.

Self-employment path: Refugees with a business idea begin with weekly training sessions on topics such as elevator pitches, customer service, marketing and participation in fairs. They also receive training to develop a business plan (using the CANVAS methodology) and present their business plan in public to access seed capital. Then, each entrepreneur receives technical support to formalize his or her business according to the national standards.

Each year two entrepreneurial fairs are drafted to improve participants' access to the market. During the fairs, participants present their productive idea to the general public and special guests from the private sector, public institutions and representatives of the international community. At each fair a specialized judgement panel selects the five best businesses, which receive a US\$600 seed capital prize. For the gastronomic entrepreneurs, a gastronomic festival is held to present the refugee's cuisine to the nationals.

Employment path: Refugees and asylum seekers receive a variety of services from the Employment Opportunities project, such as CV development, interview skills, access to financial services, support on inclusion to social security and job search strategies.

Every four months service providers develop a labour-market forecast by asking the private sector about job vacancies. They ask potential employers about the qualifications needed in each economic area, and the most important abilities and skills required in their recruitment process. About 100 private companies participate in a Corporate Responsibility Scheme, providing information about vacancies, considering refugees in the hiring process, offering them training and supporting refugee micro-entrepreneurs by uniting them in the company's value chain.

Based on specific qualifications required by the private sector (for example, logistical management, office administration, customer service.), service providers organize technical training for refugees with the support of national universities (FUNDEPOS, National Technical University) and the private sector. Then, with the support of the Ministry of Labour, service providers organize employment fairs with partner companies that were invited to interview refugees who have the skills profiles needed by the companies.

### 2.4 Institutional setting

The Living Integration programme was created in 2013 by UNHCR together with the migration authority (Dirección de Migración y Extranjería de Costa Rica), the Asociación de Consultores y Asesores Internacionales and the Business Association for Development. The programme has grown exponentially and has become a model at the regional level in supporting the fair employment of refugees and asylum seekers. The current partners are the Costa Rican Chamber of Commerce, the Industries Chamber and the Diversity Chamber of Commerce. In the social sector the partner is Fundación Mujer.

### 2.5 Funding arrangements

The programme is currently funded by UNHCR at about US\$150,000 per year. To strengthen the strategy more funding is required.

### 2.6 Impact and results

Nearly 2,000 refugees have benefited from the Living Integration programme since 2014. Employment: Over 1,400 refugees received a variety of employment services. About 450 found employment. Self-employment: At the end of 2017 two Refugees' Entrepreneurial Fairs were held, with 25 start-up participants. By the end of 2018 about 220 refugees will have received entrepreneurship training.

Of the 200 participants of the pilot 2014 Graduation Model project, UNHCR reported that unemployment rates had decreased from 36 per cent to 4 per cent, while self-employment had increased from 24 per cent to 59 per cent. The percentage of participants who had a monthly household income equal to or greater than the national minimum wage increased from 15 per cent to 79 per cent. The percentage of households that reported saving money increased from 14 per cent to 68 per cent. Fifty-eight per cent of participants reported increased emotional well-being.<sup>74</sup>

"Costa Rica's support for those seeking a place of safety is exemplary, and is a model for the region," said UN High Commissioner for Refugees Filippo Grandi during a visit to the country held in 2017.<sup>75</sup>

## 3. Analysis and discussion

### 3.1 Success factors and challenges

Key success factors:

Various stakeholders comment on the success of the program as follows:

- "The success of the Living Integration initiative lies in the cooperation between partner organizations in acting together while intervening strategically." (Migration authority)
- "Living Integration is a corporate social responsibility scheme that has facilitated contact between UNHCR and relevant companies interested in making a change in the life of refugees." (Chamber of Commerce)
- "The partnership initiative has been crucial to the successful employment of refugees and asylum seekers." (Pizza Hut)

Main challenges:

- The main challenges are securing funding for the project and obtaining active participation of social actors in the process. Another challenge is to develop more associative initiatives (consortium, cooperatives, etc.).
- Service providers see the need to present the results of the project to the international community because outreach and partnerships are the keys to success. Working with the Ministry of Labour, service providers are conducting a public awareness campaign to underscore the positive impact of refugees on the economy.

### 3.2 Replicability

For similar projects it will be key to strengthen the link between the needs of the private sector and the real capacities and characteristics of the refugee population.

UNHCR presents the following recommendations:<sup>76</sup>

- UNHCR Costa Rica has established strong cooperation with partner agencies and movements to improve opportunities for refugees' local integration over the last three years. In order to ensure these partnerships are sustainable and have a direct impact on the population concerned, goal-oriented action plans with partners would be beneficial.

- Programmes should facilitate the creation of forums that bring service providers from different areas of provision together to reflect on challenges and issues and to share good-practice initiatives across partners.
- Programmes should involve refugees and asylum seekers in the planning and feedback of services.
- Monitoring and evaluation systems could be strengthened among partner agencies. Where possible, closer audits of the quality of agency service provision and data recording should be implemented.

## Case study No. 30 – UNHCR Livelihoods Programme, Ecuador

### Success stories



**Rubialba and Fernando** fled from Colombia to Ecuador at the beginning of 2016. They started selling coconut and tamarind juice on the street, like many. But the market saturation made them look for other job options. Fernando started experimenting with a thick beverage made out of soursop, milk and blackberry syrup. That is how PulpiGuanabazo was born. “After going to food management workshops we started seeing what we could do and how we could improve our business,” says Rubialba, who was part of a series of GMA workshops.

**Aida** is a 32-year-old single mother of two, who knew when she left Colombia that she wanted to start her own business. With the periodic counselling offered by the GMA, Aida is running her beauty parlour seven months after arriving in Ecuador: “My beauty parlour is just beside my house. That’s how I combine my business and taking care of my daughters”, she says.

**Natalia**, a 23-year-old woman from Colombia, was able to access banking services with the support of UNHCR and HIAS. “I want the other refugees and asylum seekers that live in this country to know what are the benefits of having an account and the Xperta card. It will improve their lives”, she says.

Sources: <https://www.hias.org/hias-ecuador>

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<https://data2.unhcr.org/en/documents/download/50852>

UNHCR Graduation Model Final Evaluation; UNHCR – Trickle UP; 2017

### 1. Basic information

**1.1 Initiative** Livelihoods UNHCR: Promotion of self-reliance and economic inclusion of refugees and asylum seekers in Ecuador through the Graduation Model Approach (GMA)

**1.2 Country and locality** Ecuador.

Each year, thousands of refugees from Colombia and other countries such as Syrian Arab Republic, Iraq and Somalia flee to Ecuador escaping from violence. Ecuador hosts the largest refugee population in Latin America, with over 60,000 recognized refugees, about 19,000 asylum seekers and an additional 42,000 people estimated to be in a “refugee-like situation”. The vast majority of persons of concern in Ecuador are Colombians (75 per cent). Studies conducted by UNHCR and partners show that about 89 per cent of Colombian persons of concern do not wish to return to their country, which makes local integration the priority intervention.<sup>77</sup>

**1.3 Time of implementation**

UNHCR Ecuador is searching to create a more enabling environment through the improvement of national and local capacities, the development of innovative partnerships and increased access to fundamental rights, social programmes and livelihoods opportunities, so that refugees and asylum seekers are protected and can have a dignified, productive life. Therefore, it has developed a National Livelihood Strategy (2015) that was designed in line with the Global Refugee Livelihoods Strategy (2014–2018). It shows how Livelihoods is a core element of the UNHCR programmatic strategy, focusing on a mixed solution, responding to immediate needs as well as implementing activities for long-term goals.

The GMA is the main tool of the UNHCR Livelihood Strategy in Ecuador. The GMA focuses on refugee families who live in extreme poverty, but who have the potential to generate income. Families are guided step-by-step through a personalized path to a help them move out of extreme poverty and “graduate.”

In January 2015, UNHCR, together with HIAS, a non-profit organization for refugees, launched a pilot project based on the Graduation Approach in Santo Domingo de los Tsáchilas. The pilot primarily focused on Colombian refugees and the poorest Ecuadorians in a peri-urban context. It included 200 families, of which 135 completed the programme. On the basis of lessons learned during the pilot, the Graduation Model has since undergone a number of changes for scale-up. It currently reaches 2,272 households across Ecuador. Some 600 new families are expected to be integrated in 2018.

**1.4 Implementing organization(s)**

UNHCR implements the GMA through HIAS in nine localities, including urban, peri-urban and rural environments.

HIAS<sup>78</sup> is a global non-profit organization that protects refugees. HIAS Ecuador was founded in 2003 and currently has a staff of 180, with nine office locations across the country.

The World Food Programme is the UN Agency that leads global action on food assistance and is the world’s largest humanitarian organization addressing hunger and promoting food security. WFP partnered with UNHCR to implement the consumption support through their food voucher programme and capacity-building for 6 to 12 months within the GMA.

UNHCR is currently designing a pilot joint project with the Ministry for Social and Economic Inclusion (MIES), that is expected to be implemented in 2018. This project will combine components and best practices from two similar programmes: the GMA from UNHCR and the Family Support Plan (Plan de Acompañamiento Familiar – PAF in Spanish) from MIES. The Family Support Plan is a programme that integrates families in extreme poverty who are part of the national cash transfer programme Bono de Desarrollo Humano. The objective of the PAF is to provide support to families, through home visits and articulation with the community and social services provided by the national government throughout the country.

**1.5 Nature of the implementing organization(s)** Non-profit organization



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## 2. Description

### 2.1 Objectives

The following milestones for the current Livelihoods Programme by the end of 2018 have been established for the GMA families:

- 60 per cent of households earning above poverty line (i.e. per capita income US\$84)
- 60 per cent of families in the Graduation Approach have bank accounts and use banking services
- Improved access to work opportunities (they work at least eight hours per week and earn at least the minimum legal wage)

Graduation criteria:

- Family has a per capita income of US\$84 per months for six months.
- Savings of at least 5 per cent of their monthly income for six months.
- Family members eat adequately three times a day for six months.
- The family actively participates in networks that support their livelihoods.

### 2.2 Target groups

A fundamental part of the livelihoods strategy is its targeting methodology. Beneficiaries of livelihoods interventions are selected based on their vulnerability and capacity to generate income.

UNHCR Ecuador designed a Local Integration Index, which enables it to objectively measure the degree of local integration and serves as an important targeting tool to direct efforts to the most vulnerable cases, through legal, economic, and sociocultural dimensions.<sup>79</sup>

A four-step targeting tool has been developed which includes (a) identifying persons of concern, (b) families with a low (0–35 per cent) local integration index, (c) the most vulnerable families are prioritized (female-headed households, households with children elderly and disabled) and (d) an in-person verification by HIAS staff members.

### 2.3 Approaches and activities

The support provided to households through the GMA is complemented with other livelihood interventions aimed at promoting an environment with access to finance, employment and self-employment for all people of concern.

The components of the GMA in Ecuador are as follows:

- **Mentoring:** At the heart of the GMA is mentoring that enables a personalized response to individual needs. Mentors can provide appropriate support to refugees at the right time, mitigating protection risks and ensuring continuity of their graduation process. Projects can either have one overall mentor or choose to have one mentor to manage protection risks and another with specific livelihood and business skills to manage the GA model. Throughout the program implementation period of 18 months they hold weekly or biweekly 20-30-minute coaching sessions to build participants' understanding of the initiative and confidence in both the initiative and their capacities to recover from the trauma and become productive members of the community they now live in. The mentor helps to establish links to relevant networks and service providers;
- **Network engagement:** participants are encouraged to interact with other participants, refugees and host community members. This component is extremely relevant taking into account the importance of maintaining social network in case of shocks. Normally, persons of concern don't count on social networks due to the displacement process.
- **Savings:** saving, in a formal financial institution or an informal group setting, is a vital tool for risk management. It helps build assets and instils the habit of saving. Also, UNHCR Livelihoods Unit prompts advocacy activities to guarantee access to bank accounts and credit for persons of concern. The programme aims to expand alliances with financial service providers for the inclusion of products like microinsurance, remittances etc.
- **Consumption support:** UNHCR and WFP provide cash assistance for basic needs and food because poverty and food insecurity inhibit households from taking on any meaningful longer-term livelihood strategy.

The UNHCR cash support depends on the family members: US\$520 for families of 1-3 members, and 900 for families with four or more members per year to cover high essential costs such as rent.

The Food support from WFP is US\$25 per person per month, for 6 to 12 months depending on the vulnerability.

- **Building core capacities:** the programme offers support and capacity-building on legal rights, cultural norms to facilitate local integration. Participants receive soft skills trainings such as basic household and business financial management, savings and literacy. Preparatory skills training, i.e. preparing for employment through the provision of employment readiness and vocational training. This tends to help vulnerable groups and individuals with no previous education or training, to compete in the labour market and strengthen opportunities to build livelihoods pathways.
- **Livelihoods road map:** mentor and participant work closely together to develop and implement livelihood strategies through self-employment or wage employment. Market assessments provide detailed information on the key opportunities and challenges in the market, and any gaps where a UNHCR-supported microfinance intervention could boost (self) employment opportunities. The socioeconomic assessment of the participants helps to bring to the fore the skills and interests of the participants to match them with market opportunities available. This matching enhances the chances of success of the participants' economic activities as well as a stronger inclusion due to host community's perception of innovative economic activities.
- **Technical skills training:** aims at building participants' technical capacities related to the specific livelihood opportunities selected. Technical training may cover for instance food management, hygiene or best practices in animal rearing or agriculture. Participants engaged in the self-employment track also receive entrepreneurship training. Vocational training programmes should be linked to labour-market demand and can be tied to job bank or talent placement initiatives. Participatory training methodologies and low-tech tools, based on practical results, in view of limited business education of persons of concern and high level of failure of new ventures.
- **Livelihood asset transfers and/or employment support:** finally, those participants that start their own enterprise receive seed capital (US\$500, one time), sometimes in the form of cash linked to the purchase of a specific asset and often in-kind. This seed capital aims at jump-starting participants' micro or small businesses.
- **Multidisciplinary supporting team:** the mentor is assisted by a multidisciplinary team to support and orient the participant in areas identified as critical, such as psychological support. This kind of support is important, bearing in mind the consequences of the displacement process and the challenges of inclusion in the host community.

### 2.4 Institutional setting

Graduation would not be possible without refugees and asylum seekers being able to work, as well as to have access to health and education services. Ecuador grants everyone in the country the same rights as an Ecuadorian.

The Ministry of Social and Economic Inclusion (MIES) is an important government counterpart considering the implementation in 2018 of the pilot project based on the best practices and learnings from the GMA, and from the "Plan de Acompañamiento Familiar", which is a programme similar to the GMA. In the mid and long run, UNHCR expects to enhance the capacity of the ministry to include persons of concern in the Social Safety System of Ecuador. Linking up with existing social programmes for vulnerable groups are very important to ensure graduation. Therefore MIES is a very important strategic ally, as are the Ministry of Labour, the Ministry of Public Health and the Ministry of Industry and Productivity, among others.

At the local level, the Livelihoods component is supported by alliances with provincial and municipal authorities, private companies, local communities, civil society and universities, among others.

### 2.5 Funding arrangements

UNHCR is funding HIAS to implement the Livelihoods (GMA) programme in Ecuador for an amount of about US\$2 million per year.

### 2.6 Impact and results

The GMA currently implemented in Ecuador started in April 2016 and enrolled 2,272 families up to December 2017. About 260 families had graduated by the end of December 2017. It is estimated that about 80 per cent of the graduates set up their own small business.

UNHCR Ecuador piloted the GMA in 2015 with 200 urban refugee households,

most of them from Colombia, but also locals. Just 18 months after services commenced, participants reported an overall increase in income. The programme had a graduation success rate of 72 per cent. The average household income per capita, which was at US\$66.31 in 2015, had increased to US\$86.09 in 2017, indicating the programme's success in enabling participant households to meet the income benchmark of the Graduation Model. The average number of regular sources of income increased from 0.67 in 2015 to 0.97 (or almost 1) in 2017. However, the percentage of households having at least one regular source jumped from 49.5 per cent in 2015 to 70.2 per cent in 2017.<sup>80</sup>

Supporting refugees in getting access to financial services that facilitate savings is crucial as it strengthens the resilience of the households. Given this fact, the collaboration between UNHCR, HIAS and the Bank of Pichincha was initiated in 2014. Since then, 163 participants of the Model have been able to open a Cuenta Xperta.

### 3. Analysis and discussion

#### 3.1 Success factors and challenges

Key success factors:

- Mentoring is a key factor that allows regular monitoring of participants' progress as well as the opportunity to address any issue or challenge in a timely way.
- Adaptive management: A multifunctional team meets every two to three months to review challenges, difficulties and best practices and take important decisions that are then implemented in the field.
- UNHCR monitors and provides feedback to HIAS, joining the family visits and through working meetings where the situation of each family is analysed through the perspective of protection and livelihoods.
- Constant capacity-building for both UNHCR and HIAS' teams has been important.
- Partnership with strategic actors at the local levels is also important, as they can provide complementary services to improve livelihoods.

Main challenges:

- The lack of legal documentation (e.g. visa and refugee status) is still a challenge for most families, which obstructs the attainment of proper livelihoods.
- Access to the financial system is still a challenge for the implementation of durable solutions in Ecuador, due to the legal limits in the country, especially for asylum seekers.

- Given the current economic crisis, state resources for social and economic programmes are limited, as is the current labour demand.
- Within the framework of the Graduation approach, the savings criteria are the most challenging for families; for larger families, the income criteria (set above the poverty line in Ecuador) is also difficult to achieve.
- When working with refugee families, geographical dispersion makes mentorship more challenging, as does the fact that each family has its own livelihoods option (which makes it harder, and in some cases impossible, to take a value chain approach as has been done in other GMA interventions).
- The Livelihoods strategy is an essential facet of UNHCR's longer-term goal of responsible disengagement, but that goal can be reached only through the increased engagement of the Ecuadorian government in the provision of services and assistance to persons of concern, including in Livelihoods, on par with those provided to nationals.

#### 3.2 Replicability

UNHCR, supported by Trickle Up, has been piloting the Graduation approach in refugee contexts since 2014. Although it is well documented that the Graduation approach can successfully tackle the multiple constraints of the extreme poor in situations not affected by displacement, results from UNHCR pilots in Ecuador, Costa Rica and Egypt have illustrated how the approach can successfully be extended to support refugees. Leveraging the pilot results, UNHCR is now expanding the approach to Argentina, Burkina Faso, Mozambique, Sudan, Zambia and Zimbabwe. Moreover, the focus is on documenting results and lessons learned to encourage and support other actors to include refugees in Graduation projects. Donors, development actors and governments are already showing interest to incorporate refugees in similar initiatives. For instance, USAID is investing in a \$37 million multi-year graduation pilot in Uganda for both refugee and host communities. In Afghanistan, returnees and IDPs are included in the microfinance investment support facility of the graduation programme. In Chile, the government is using a similar approach. The Ministry of Social and Economic Inclusion in Ecuador is also interested in exploring future collaboration to expand its social protection programme.

Various scientific studies confirm the effectiveness of the Graduation approach for people living in poverty across the world.<sup>81</sup>

## Case study No. 31 – Youth Entrepreneurship Programme, El Salvador

### Success story



**ACOPROTUR**, a tomato farming business using greenhouse technology, was established by 17 local young entrepreneurs who participated in the Youth Entrepreneurship Programme.

Links: <https://www.youtube.com/watch?v=A-JpMvyRA4s&feature=youtu.be>

More detailed, in Spanish <https://www.youtube.com/watch?v=KJ81-vnxsBk&feature=youtu.be>

Also: <https://www.youtube.com/watch?v=6m7PDD-3Sa0&feature=youtu.be>

#### 1. Basic information

**1.1 Initiative** Youth Entrepreneurship Programme – Asociación de Desarrollo Económico Local de Morazán (ADEL Morazán)

**1.2 Country and locality** El Salvador, in the seven poorest municipalities of the Department of Morazán: Guatujagua, Lolotiquillo, Perquín, San Fernando, Sociedad, Yamabal and Yoloaiquin<sup>82</sup>

**1.3 Time of implementation** The Youth Entrepreneurs Programme was launched in 2014 in partnership with the UN Joint Migration and Development Initiative (JMIDI).<sup>83</sup> The program was implemented for 1.5 years, but since then ADEL Morazán has continued to work in the field of youth entrepreneurship.

**1.4 Implementing organization(s)** ADEL Morazán, along with local communities

### 1.5 Nature of the implementing organization(s) NGO

The name can be translated into “local economic development association”

## 2. Description

### 2.1 Objectives

The subregion of Morazán, one of the poorest areas in El Salvador's eastern region, faces a high rate of youth unemployment and emigration. Among the youth population, there is low interest in pursuing studies; labour market opportunities are scarce and gang violence increasingly frequent, according to a JMDI study.<sup>84</sup> Poor prospects in the area have been a strong push factor for outmigration. The Youth Entrepreneurs Programme works to provide a solution to this problem by supporting entrepreneurship among the local youth population as an alternative to emigration.

### 2.2 Target groups

Young populations of the seven municipalities in Morazán, aged 18–35

### 2.3 Approaches and activities

The Youth Entrepreneurs Programme works like a business incubator, complemented with capacity-building activities. The incubator offers beneficiaries support in developing and testing their business plans, as well as in accessing finance and in building a network. Hands-on assistance in developing a business plan is considered a priority, given that the programme's youth beneficiaries have little prior experience of entrepreneurship. Capacity-building activities have included workshops and trainings on different aspects of entrepreneurship (such as pricing and marketing). The initiative also puts a large emphasis on empowering beneficiaries with soft skills (such as leadership).

The Youth Entrepreneurs Programme activities can be grouped broadly into four stages. The first is the identification and selection stage, followed by the pre-incubation, incubation and post-incubation stages. During all the stages of the programme, the El Salvador diaspora community has been involved in providing the knowledge and expertise of business and production that they have acquired in different countries.

In the identification and selection stage, a survey was conducted to assess the profiles of potential beneficiaries. This gave insight into potential beneficiaries' personal backgrounds, aspirations and skills, which was crucial for the design of the programme strategy. The survey, distributed to about 190 respondents aged 18–35 in the targeted municipalities, showed that most respondents (about 70 per cent) want to emigrate. But when asked whether they are interested in developing a local business, more than 70 per cent answered yes. Potential beneficiaries were then contacted to join information workshops. These workshops served to introduce potential beneficiaries to the programme, as well as to learn more about potential beneficiaries (e.g. through asking follow-up questions on their aspirations, business ideas and commitments).

Once beneficiaries commit to join the programme, they are grouped by interest or type of business (most of the businesses are agricultural given that the region is mostly agricultural). This is the pre-incubation stage. Within these groups, beneficiaries work on their business plans and receive training. The training sessions cover both technical business skills (e.g. creating business and pricing plans) and soft skills (e.g. leadership, self-esteem). Within these groups, participants are encouraged to consider key environmental and institutional factors, such as soil quality, water access and local government priorities.

In the incubation process that follows, entrepreneurs begin to plan pricing, purchasing (e.g. of required tools and equipment) and access to infrastructure. This is also the stage when capital grants are disbursed to beneficiaries, and their businesses are officially launched. In this stage a specialist adviser (from ADEL or the local community), is assigned to each business in order to provide technical guidance and support.

The last stage is post-incubation, in which participants' businesses are made sustainable or supported to grow further. In this stage, the new businesses continue to receive support (in the form of advice, coaching and networking), and further training is delivered on different aspects of running a business (e.g. financial management, profitability, management structures, sales and

marketing). If a participant's business requires more specialized support, the programme can provide links to local entrepreneurs who can provide assistance.

### 2.4 Institutional setting

Leading institution is Asociación de Desarrollo Económico Local de Morazán (ADEL Morazán), the JMDI provided funding from launch 2014 for 18 months.

### 2.5 Funding arrangements

Contribution from JMDI: US\$230,000 (about 50 per cent of it used to provide capital grants). Participants' businesses require different levels of start-up capital; for example, smaller agribusinesses require US\$5,000 or less, but those which employ a more sophisticated agri-tech component have needed about US\$10,000–20,000.

### 2.6 Impact and results

The Youth Entrepreneurs Programme has launched 21 business initiatives involving 101 youth. One called ACOPROTUR farms tomatoes using greenhouse technology and has expanded its greenhouse. In terms of sustainability, ADEL Morazán actively connects graduate entrepreneurs with local business network. For example, some of the agribusinesses have been connected to the region's agriculture supply chain, which supplies for big grocery stores across El Salvador. ADEL Morazán have helped them to meet these suppliers' requirements. In addition, after the partnership with JMDI ended, ADEL Morazán has continued its work on youth entrepreneurship and is currently partnering with the Inter-American Development Bank to help youth entrepreneurs access loans.

## 3. Analysis and discussion

### 3.1 Success factors and challenges

Key success factors:

- The identification process is crucial to shaping the programme strategy. Conducting a diagnosis of the local situation through a survey of its population serves as a basis for identifying related actors, situations, needs and challenges faced by the target group. This has led to a better understanding of the beneficiaries and therefore enabled a better programme design.
- Soft-skill empowerment and accessible advisers were key for Morazán's new entrepreneurs. Given that the beneficiaries are first-time entrepreneurs, adequate technical training is crucial in strengthening the entrepreneurs' skills, while support from accessible advisers ensures that the interventions correspond with their realities, demand and aspirations.
- Partnerships with local actors are important for building community buy-in and ownership of the programme's goals. For example, community actors can make important contributions in terms of ensuring favourable regulations, political and institutional support, access to resources, customer loyalty or access to other markets.
- The diaspora community may be a good resource to tap into. These ties could be useful not only for the exchange of business knowledge or export opportunities, but also for financial contributions to initiatives.

Main challenges:

- Finding the balance between low barriers to entry and sufficient profitability is important. The core objective of this programme is to provide youth beneficiaries with an alternative to emigration through entrepreneurship. It is important to note that beneficiaries in Morazán are first-time entrepreneurs, whose participation in the programme is likely their first brush with entrepreneurial concepts. With this in mind, ADEL Morazán's biggest challenge was to make sure that the business ideas are easy enough to launch while also generating attractive enough returns (e.g. when compared with potential remittance income), in order to make youth in Morazán want to stay.
- Ensuring that youth take ownership of the business should be the core of the incubation stages. The initiative made sure that the beneficiaries have an active and leading role in every step of the incubation process, and that they contribute their personal labour or assets to their business (e.g. land or property that they already own, or through direct financial contributions).

- Group-owned businesses need more attention than individually owned businesses. In the case of collectively owned businesses, it is necessary to put extra efforts in teamwork-building in order to ensure the full participation of each member. A useful tool for teamwork-building has been internal group evaluation sessions.
- Partnerships with local institutions and local government should be built around the issue of migration and local entrepreneurship. It could be useful to create working groups around the themes of migration and development. A variety of local, national and transnational actors should participate in these working groups. Local actors may not be conscious of the relationship between growing local entrepreneurship and migration, and the potential synergies that can be created to strengthen this link. Partnerships could

be structured as loose working groups or more formal organizations or specialized units within local institutions.

### 3.2 Replicability

This initiative provides a good model for local entrepreneurship development in fragile localities (e.g. areas with low income and high unemployment levels). A focus on agribusiness ideas may be relevant for other areas with a large agricultural industry. The programme's "handholding" approach, providing intensive motivational mentoring and coaching, can be very effective for entrepreneurship projects implemented in communities where a culture of entrepreneurship is very new or non-existent.

## Case study No. 32 – Darzee, Canada

### Success stories



**Bareaa Odeh**, a mother of two young teens, has to leave her Mississauga [about 30km west of downtown Toronto] home at 7:30 a.m. for a two-hour commute every Saturday for the weekly training, but said it's worth it.

"It is not easy, but we all want to work hard to be successful," said the 47-year-old, who earned a university degree in law in Damascus and arrived in Toronto via Ghana a year ago through Canada's Syrian refugee resettlement program. "Canada has given us a lot of things, supporting us. It is now my country. We want to contribute to Canada like when we were back home."

**Alla Mahdei**, a 46-year old mother of three, fled from Iraq and Syrian Arab Republic in 2006 and was sponsored by relatives to Canada in 2014. "My dream is to own my business." She has a certificate in design from the Islamic Republic of Iran, but currently sewing is her hobby. "We were forced to flee our country but [...] we want to say we're here [...] to do something for our family and our community."

### 1. Basic information

**1.1 Initiative** Darzee ("tailor" in Arabic, Hindi, Persian and Urdu)

**1.2 Country and locality** Canada, Toronto

**1.3 Time of implementation** February 2017–present

**1.4 Implementing organization(s)** Imes Amis Canada (a Toronto-based civil society organization, established in 2016,<sup>85</sup> assisting refugees in education, social integration, health, employment and assimilation)

**1.5 Nature of the implementing organization(s)** Not-for-profit corporation

### 2. Description

#### 2.1 Objectives

To help newly arrived refugee women improve their sewing skills and learn how to become independent seamstresses, in order to generate income and support their families.

#### 2.2 Target groups

Beneficiaries targeted by the programme are refugee women who

- have been in Canada for less than three years.
- can easily operate a sewing machine.
- are looking for the opportunity to operate their own business from home.
- can attend training classes in downtown Toronto every Saturday.

#### 2.3 Approaches and activities

The focus of the training programme is to enable trainees to run their own businesses from home. During the programme, they have the opportunity to work on paid sewing projects (e.g. scarves, bandanas and pillows). Graduates from the programme are offered sewing machines as well as other tools which they can use to sew at home. Their products are marketed and sold online and in person (e.g. at pop-up markets) by volunteers and the project's core management team.

An eight-week pilot training programme was implemented in February–April 2017. It trained 20 eligible women.<sup>86</sup> The training space was provided by COSTI (a community-based immigrant services agency). Volunteer industry professionals gave courses on sewing, the procurement of fabrics and sewing tools, pricing, e-marketing and social media. After graduates complete the training, the Darzee team continues to provide them with technical assistance for their ongoing business. If they choose, graduates can work as independent contractors for Darzee, completing sewing projects to order.

#### 2.4 Institutional setting

Darzee is a social enterprise project, operated by Mes Amis Canada.

#### 2.5 Funding arrangements

Donations from Alkhayat Foundation Canada (a not-for-profit corporation), COSTI and other private donors.

#### 2.6 Impact and results

- The graduates demonstrated their skills at a community engagement event in March 2017 by offering services at competitive fees for altering, mending and tailoring anything in wardrobes.
- The Darzee Canada 150 product line was launched in the first half of 2017 to mark the country's 150th anniversary.
- Holt Renfrew, a high-end, well-regarded retailer, carries the Darzee products across Canada. The products have also been on display at Nuit Blanche (Canada's largest night-time art exhibit, with over one million attendees every year).

### 3. Analysis and discussion

#### 3.1 Success factors and challenges

Key success factors:

To ensure the success and sustainability of a similar project, an implementing social enterprise should seek to partner with a corporation or not-for-profit

organization that can both contribute funds and provide adequate training space. Follow-up activities are also important to maintain the continued learning and engagement of graduates.

Mes Amis Canada is due to launch the next round of the training programme in 2018, which will aim to help make another 50 eligible women independent seamstresses.

Main challenges:

- Securing sufficient funding and a suitable training space is essential for the training programme. The demand for the project is high, but limited funding means that the Darzee team cannot train as many refugees as they would like.
- As a new not-for-profit organization, the Darzee found it difficult to secure funding for the implementation of the pilot programme. As a result, the programme was largely run by volunteers, which means that the successful implementation of the programme was dependent on volunteers being able to commit enough of their time to the project.
- For the sustainability of this project, support or cooperation from retailers is the key. Providing a government incentive for retailers to carry Darzee products could be beneficial.

### 3.2 Replicability

The potential replicability of this project is high, and similar projects do exist across Canada.<sup>87</sup> For example, in Toronto, a government-sponsored 12-week sewing programme (“Sewing Entrepreneurship for Women in Toronto”) has been offered by Newcomer Women’s Services Toronto (a non-profit organization founded in 1983 by a group of Latin American refugees) to local community members who receive provincial social benefits.<sup>88</sup> This 12-week programme requires the full-time commitment of trainees (six hours a day and four times a week). Topics covered include the development of business ideas and plans and linking into community support. Unlike in the Darzee project, however, the provision of a sewing machine and post-graduation technical assistance is not a part of the government-sponsored training.

Outside Canada, other social enterprises have implemented similar projects in countries such as Australia and the United States.<sup>89</sup> Community-based sewing projects, run by charities and other types of organizations, have often targeted refugee groups.<sup>90</sup>

## Case study No. 33 – Business Centre for New Americans (BCNA), United States

### Success stories



**Aguiratou Ouedraogo**, a refugee from Burkina Faso, started Marisna Day Care Centre in the Bronx in 2014. The Centre looks after 12 children, ages newborn to five years old, and provides work for three employees including herself. In 2016, Aguiratou used savings of \$4,000 and a match grant of \$4,000 from BCNA’s IDA Programme for Refugees to purchase equipment for her business. She recently received a loan of \$5,000 from BCNA’s Loan Fund to finance an expansion to become Group Family Day Care, which will allow her to move to a larger space and provide care to more children. Aguiratou also completed BCNA’s financial workshop, Basics of Money & Assets for New Americans.



**Ismaila and Mohamed Bah**, both refugees from West Africa, own Noor Halal African American Market in the South Bronx, one of the most economically challenged neighbourhoods in New York City. The market offers fresh produce, groceries and African specialties, as well as freshly butchered halal meat – a valuable service for a community that is considered a “food desert”, with few places to purchase fresh, healthy foods. The Bahs began working with the Business Centre for New Americans (BCNA) Microenterprise Development programme, funded by the Office of Refugee Resettlement, in 2011. The programme has been a lifeline for this start-up business. The Bahs have received several microloans totalling \$30,000, along with assistance in developing a business plan and cash flow analysis. Having working capital has helped them purchase inventory and stock up on special products for important holidays. To honour their hard work and success, BCNA presented the Bahs with the “Bootstrap Entrepreneur” award at the 4th Annual Immigrant Heritage Week Awards in April 2015.



**Tenin Diallo**, a refugee from Mali, opened her first beauty salon in 2014 on 7th Avenue in the Harlem neighbourhood of New York City. The salon, TD African Hair Braiding, is the working hub for Tenin and seven other hair braiders from her community. The business specializes in African styles of hair braiding, such as kinky twists, flat twists and box braids, at reasonable and competitive prices to serve her community. After success with her first location, she is about to open a second location in the Bronx, providing additional jobs and opportunities for those around her. In 2017, Tenin used savings of \$4,000 and a match grant of \$4,000 from BCNA’s IDA Programme for Refugees as well as a small loan of \$2,000 to purchase equipment for her business. She will now reapply for a larger loan to support her new location.

Sources: <http://www.nybcna.org>. <https://www.acf.hhs.gov/orr/resource/microenterprise-development-grants-0>

### 1. Basic information

**1.1 Initiative** Business Centre for New Americans (BCNA)

**1.2 Country and locality** United States, New York

**1.3 Time of implementation** Since 1998

**1.4 Implementing organization(s)** BCNA provides financial and educational services to immigrants and refugees in New York

**1.5 Nature of the implementing organization(s)** Independent non-profit organization

### 2. Description

#### 2.1 Objectives

BCNA’s Mission Statement: To create pathways to self-sufficiency for immigrant and refugee entrepreneurs in New York City by providing access

to affordable credit, empowering them with financial education and offering training on best business practices and technology

BCNA's strategic goals for 2017–2019:

- BCNA will assist and support 2,050 foreign-born households living in New York City become more economically resilient by helping them navigate the American banking system, build savings, obtain loans to start and expand their businesses, and operate successful businesses.
- BCNA will more than double its total loan capital to serve foreign-born entrepreneurs, from US\$4 million to US\$9.25 million.

## 2.2 Target groups

BCNA clients come from diverse backgrounds. About 95 per cent are migrants and refugees. Their countries of origin range from Azerbaijan to Zambia. Many current clients come from Africa (Liberia, Mauritania, Guinea and Sierra Leone) as well as the former Soviet Union, Asia and South America. Most clients are between 22 and 49 years old but ages range from 19 to 70.

BCNA's Microloan Programme provides small business loans and microloans to business owners in New York City who are not able to obtain loans from traditional lenders for a variety of reasons:

- The loan requested is too small.
- The bank will not lend to start-up businesses.
- The business owner's credit score is too low, but they can demonstrate ability to repay a loan.
- The business owner has a credit card, but does not want to use it to fund the business.

## 2.3 Approaches and activities

In addition to providing microloans and small business loans to start up and grow businesses, BCNA offers a variety of classes and extensive one-on-one consulting. BCNA staff members assist clients with everything from creating a business plan to obtaining the required licences and permits to operate the business, to helping with marketing and general business management.

Business loans

BCNA provides small business loans and microloans for start-ups, business expansion and refinancing.

- Loans range from a minimum of \$500 to a maximum of US\$50,000, for up to three years.
- Interest rates charged: 8.25 per cent fixed for loans of US\$500–9,999, 10 per cent fixed for loans of US\$10,000–50,000
- Repayment period: 6 months to 3 years
- Fees: (a) loan application fee: US\$25 for loans up to US\$3,000, and US\$50 for loans above US\$3,001; (b) additional credit report US\$15; (c) closing fee of 2 per cent.

Applicants should meet the following requirements:

- Business location: (1) Queens or Staten Island (any business); (2) Manhattan, Brooklyn, or the Bronx (immigrant, refugee, or woman-owned businesses)
- Business type: Retail, light manufacturing, restaurants and service businesses
- Loan amount: Up to US\$50,000
- Equity (cash on hand): A minimum of 20 per cent of the amount of loan requested
- Guarantor (co-signer): For a loan of US\$3,001–50,000, a guarantor with an acceptable income level and good credit history must co-sign the loan.
- Business history: (1) Existing businesses need a minimum of three to six months of verifiable revenue; (2) Start-ups must provide a start-up budget.

Having a "cushion" of money saved and available to fund temporary cash needs is essential to financial self-sufficiency. BCNA educates clients about the long-term benefits of sacrificing in the short term to save and about the mechanics of saving money.

The savings programmes provide financial incentives, encouragement and practical advice on saving money for a down payment and closing costs:

- The HomeFirst Down Payment Assistance Programme is sponsored by the New York City Department of Housing Preservation and Development to help low-income New Yorkers purchase their first home.

- The First Home Club Matched Savings Programme is a Federal Home Loan Bank of New York programme to help New Yorkers save towards the purchase of a home.
- The Individual Development Account (IDA) is offered by the Office of Refugee Resettlement to incentivize refugees to save for a first home or to fund a business.

The IDA programme rewards low-income refugees who successfully save money and complete a financial literacy course. After an applicant has met these requirements, the BCNA IDA grant matches their savings, matching each dollar saved with a dollar in grant money, up to US\$2,000 per individual or US\$4,000 per family. Although the client has control over the money he or she saves, the "matching grant" is kept in a separate account which can only be used for the down payment on a first home, to start or grow a small business or to pay for further education, vocational training or recertification.

## Financial education

BCNA provides a range of financial education seminars to educate clients and workshop attendees about the financial options they have in New York City. Topics: Understanding your credit report; Setting a budget and sticking to it; BCNA offers workshops, open to everyone, on financial topics such as income tax rules, credit management and financing options for your business.

The financing options workshop is for small business owners who want to know more about the financing options available from BCNA, as well as other topics that concern small businesses, such as requirements and qualifications for lending, news and updates for the 2018 tax season, retirement accounts and taxation, and health insurance for small business.

## 2.4 Institutional setting

In 1998 BCNA was started as a project at the New York Association for New Americans, a refugee resettlement and immigrant service agency. When the agency was closed in 2009, BCNA operated under the fiscal sponsorship of the Fund for the City of New York for three years. In 2012 BCNA became a fully independent, stand-alone organization.

## 2.5 Funding arrangements

The BCNA annual report for 2016 shows that of the US\$2.6 million in total revenue and support, US\$1.9 million was provided by government grants and contracts and US\$0.4 million by corporate contributions and grants.

The Office of Refugee Resettlement supports BCNA's services to refugees and the IDA match savings programme. The Small Business Administration (SBA) and the Community Development Financial Institutions Fund provide the capital for microloans to clients. Grants from the SBA and the Empire State Development Corporation help BCNA provide one-on-one assistance and workshops on business management.

BCNA is supported by private sector funders such as Citi Foundation; Citi Community Development; Wells Fargo, Santander, Capital One, BNB, Signature, M&T and First Republic Banks; and the New York Women's Foundation.

## 2.6 Impact and results

Since 1998 BCNA has grown steadily. Over the years, the Centre has made 2,988 microloans for a total of US\$19.3 million (as of September 2017). Of these, 95 per cent are made to refugees and immigrants from more than 50 countries, and 56 per cent of borrowers are women.

Some 1,468 refugees are enrolled in the IDA Programme, investing more than \$24 million from savings, matching funds, and loans in education, homeownership and small businesses. About 7,000 New Yorkers have been assisted with workshops and one-on-one advice to start, strengthen or expand a small business.

In 2017 BCNA disbursed loans for \$2,580,500, the majority of which went to immigrants and refugees. In that year 347 new loans were closed and there were 699 active borrowers. The loan loss rate was 2.52 per cent. BCNA provided 4,802 hours of training and counselling to 699 clients and conducted 39 workshops. The outcomes for 2017 are that 32 new businesses started, 73 businesses expanded and 558 businesses were strengthened. Some 61 full-time and 73 part-time jobs were created. Seventy clients to whom BCNA provided match grants through its IDA programme were able to invest \$316,000 from savings.

In December 2017 BCNA received a Special Achievement Award from SBA, New York District, for the tenth year in a row for “Most Loans Made by a Microlender with SBA Funds”.

In 2015, BCNA went through the process of being rated by AERIS which involves a rigorous, third-party analysis of the financial management and impact of the services of BCNA. BCNA received an AA for impact and 3 for financial management. The highest for impact is AAA and financial management is rated from 1 to 5, with 5 being the highest.

Since being rated by AERIS, BCNA has received a \$200,000 grant and \$500,000 in low-interest investment for five years from Wells Fargo Bank’s Diverse Community Capital Programme. Several other banks have expressed interest in making low-interest loans to BCNA. Citi Community Development has provided annual grants to BCNA for over 15 years and will continue to do so to enable BCNA to reach greater self-sufficiency.

### 3. Analysis and discussion

#### 3.1 Success factors and challenges

Key success factors:

The staff at BCNA are devoted to helping fellow New Yorkers. They care about their clients and are committed to BCNA’s mission. Many are immigrants themselves and are able to communicate with clients in their native languages. With first-hand knowledge of the unique challenges confronting immigrants in NYC today, BCNA staff provide hours of personal service to help ensure that clients are comfortable working with BCNA and have the resources they need to succeed.

BCNA feels very strongly about investing in additional services or partnerships which enable clients to not only make more money but also keep more of it. For instance, BCNA is a member of the Credit Builders Alliance and helps clients to improve their credit score by credit counselling and credit building. Also, BCNA partners with the Street Vendors Project, which educates street vendors about their rights and represents them in court.

BCNA tries to be as relevant as possible to its clientele. An example is the current plight of many African refugee men who drive taxis in the outer boroughs. Uber and Lyft and other forms of technology have flooded the

market with car service drivers. This extra competition has reduced the profit margin for people in this sector. The decrease in profits has meant more hours of driving and can often result in deteriorating health and a feeling of desperation. BCNA is looking at developing relationships with partners that can help refugee men and women to acquire the skills and knowledge required to start blue-collar businesses such as plumbing, home renovation and electrical services.

Main challenges:

One of the key challenges for BCNA is to secure funding for its operations and to increase its self-sufficiency. BCNA sees its ability to attract public and private support as key to its success, which depends on making a good case for grant and contract support to subsidize its services. BCNA also recognizes the need to disburse larger loans, which would increase its interest and fee revenue, thereby strengthening its credibility and sustainability. Towards this goal, BCNA is in the process of applying to become certified as an SBA Community Advantage Lender, which would mean that it could make larger loans, up to \$250,000. In the next two years, however, BCNA is planning to make loans only up to \$150,000, and to then gradually increase loan values up to \$250,000.

BCNA’s high-touch business model requires staff with technical and cultural skills, and a mix of grant and contract funding to subsidize costs. Many of BCNA’s staff are hired from immigrant communities and, over the years, the organization has made considerable investments in staff training and development.

#### 3.2 Replicability

BCNA’s unique value is that it operates as a one-stop shop, providing a wide range of services to support migrant and refugee entrepreneurship. In order to replicate this high-touch approach, a key requirement would be sufficient funding. BCNA has been successful in securing substantial funding from government grants and contracts (75 per cent of total revenues) and corporate contributions and grants (14 per cent). Only 10 per cent of total revenues has come from interest income from loans, programme service and other income (as of 2016).

## Case study No. 34 – Catalysr, Australia

### Success story



From Catalysr’s portfolio of companies, the top performers are Koshari Korner, Water Democracy and Muralisto. An up-and-coming company started by recent graduates to look out for is Diamonds from the Sky, which is growing ethical diamonds in a laboratory to reduce greenhouse gas emissions and disrupt the blood diamond industry.

At the Brewery Markets at Chippendale, **Walid El Sabbagh** runs Koshari Korner, which has become a hit with Sydney-siders. Walid migrated from Egypt in 2017. After he struggled to find work in his field of marine engineering, he and wife Yusra Metwally became entrepreneurs. With the help of Catalysr, the two founded Koshari Korner, a market stall delivering the popular street food of Egypt to the people of Sydney. A mix of pasta, rice, lentils, chickpeas, fried onion and tomato sauce, the humble comfort food has been embraced by Koshari Korner’s clientele.

Source: <https://catalysr.com.au/>

#### 1. Basic information

**1.1 Initiative** Catalysr: Migrants & Refugees Building Australia 2.0

**1.2 Country and locality** Australia, Sydney

Over 60 per cent of migrants and refugees are either unemployed or underemployed in their first five years of residing in Australia. As Australia takes in about 200,000 migrants and refugees annually, over 600,000 migrants and refugees are either unemployed or underemployed. This represents not only a substantial loss of human potential, but also an economic and social loss for Australia.

**1.3 Time of implementation** Since 2016

**1.4 Implementing organization(s)** Catalysr

**1.5 Nature of the implementing organization(s)** Non-profit organization

#### 2. Description

##### 2.1 Objectives

Catalysr was set up in May 2016 to address the high rates of unemployment and underemployment among migrants and refugees in Australia, by providing these groups with an alternative pathway to employment through entrepreneurship.

## 2.2 Target groups

Catalysr's work empowers and enables first-generation migrants and refugees directly and their families and communities indirectly. The focus is on migrants and refugees:

- With permanent residence or Australian citizenship.
- Who live in New South Wales or would be willing to relocate for the programme.
- Who have an idea for a tech-related or tech-enabled growth-oriented start-up that solves a real problem.

## 2.3 Approaches and activities

As a new organization, Catalysr has been co-designing and experimenting with various models of entrepreneurship education in order to decide what aspects of the programme would add value to their learning and ability to start and run a business.

Through this process, this is what Catalysr currently offers:

- Induction and onboarding session about culture, tools and processes
- Weekly mentoring with an experienced entrepreneur-in-residence for 12 weeks
- Fortnightly "Migrapreneur" coaching sessions
- Daily huddles, where all the members of the cohort e-mail the cohort to share their list of key tasks for the day and the roadblocks that are standing in their way
- Introductions to industry mentors
- Monthly fireside chats with experienced founders who can share their candid stories and tips
- Monthly social events, e.g. founder dinners, bushwalks, and the like
- After-hours co-working (hustle) sessions on demand
- Access to tools : Goal Grid and Migrapreneur Scorecard
- Showcase night at the end to celebrate and network with key stakeholders such as mentors, investors, corporates, local and federal government representatives

## 2.4 Institutional setting

For the recruitment of participants Catalysr collaborates with various partners, such as Refugee Talent, TechFugees Australia, Settlement Services International, Community Migrant Resource Centre and Jesuits Refugee Service, among others. The Catalysr team runs the incubator programme and pulls in supporters and mentors from their diverse networks who provide pro bono advice and mentoring to support their migrant and refugee entrepreneurs.

## 2.5 Funding arrangements

Catalysr's organization runs very lean: current operating finances are A\$300,000 annually.

To date, Catalysr has been financially supported by various parties:

- Not-for-profit organizations: School for Social Entrepreneurs Australia, Foundation for Young
- Australians, Community Migrant Resource Centre and Banelong Foundation
- High net-worth individual donation: Mike Cannon-Brookes
- Corporate sponsorships: CGU Insurance and Insurance Australia Group (IAG)
- NSW State Government and the City of Parramatta through the Stronger Communities Fund
- Crowdfunding campaign supported by Startsomegood.com and the City of Parramatta

This funding has enabled Catalysr to run the programme to date. However, it is currently on the lookout for longer-term funding (i.e. more than three years) in order to sustain its activities.

## 2.6 Impact and results

Since May 2016 Catalysr has run three sessions of the incubator programme. It has worked with 66 migrant and refugee entrepreneurs to date and has helped start 14 new businesses. The start-ups range from a food corner to online publications, childcare services and manufacturing. Catalysr migrapreneurs have also won awards and external funding through various sources and continue to create social impact. Catalysr's work and their migrapreneurs have been covered in the media on various occasions.

## 3. Analysis and discussion

### 3.1 Success factors and challenges

Key success factors:

- Critical issue: One of the reasons this project has been successful is because the problem of unemployment and underemployment among migrants and refugees is recognized to be a key concern which leads to many second-order problems. Co-founder Usman Iftikhar has lived experience of the issue, which gives him particular insight into the challenge.
- Multifaceted solution: Catalysr's solution is designed specifically for its target group and aims to have not only an economic but also a social impact. This has helped Catalysr to garner the support of many stakeholders.
- Right time: Immigration is a high-profile issue in countries around the world; the Catalysr programme is therefore well-placed to demonstrate the contributions of migrapreneurs in Australia, which is an aim that many people support.
- Right place: Catalysr's work has been focused in Parramatta, which is located in Greater Western Sydney, a region which has a large migrant and refugee population but lower rates of economic inclusion. Various levels of government have made it a priority focus area for economic and social development. Catalysr is the first incubator in Parramatta.
- Community led: The migrant and refugee participants benefit from opportunities to integrate into local start-up and business ecosystems, and from substantial community leadership and support.
- Funding: Catalysr was fortunate to obtain funding early on, which allowed it to validate the project idea and to secure further funding for programme delivery from a variety of sources.
- Media coverage: Following the pilot programme, Catalysr was covered on ABC Lateline and SBS News, which helped to raise awareness of the programme and to build their credibility among stakeholders.

Main challenges:

- Funding: The biggest challenge was to secure sufficient funding to allow Catalysr to demonstrate success and impact. Although Catalysr has received financial support from various sources to date, it still faces difficulties in securing continued funding, which is critical to success because the business model has returns in the longer run.
- Business model: Catalysr has experimented with multiple business models; however, it is still figuring out how to make the organization self-sustaining, which is a major challenge.

### 3.2 Replicability

Catalysr has found the following considerations to be important for providing effective help to aspiring migrant and refugee entrepreneurs in Australia:

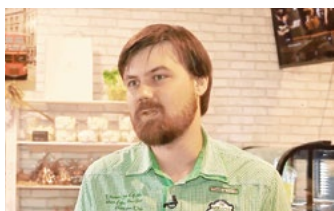
- There are different types of migrapreneurs, who have varying skill levels and ambitions, and who move at different paces. It is therefore important to recognize that a standardized programme structure will not meet the needs of all potential beneficiaries.
- One-to-one mentoring is effective for teaching skills and clarifying participants' thinking. It also helps to build accountability.
- Successful migrapreneurs love daily check-ins and are generally motivated by social accountability.
- Running a similar programme requires a lot of learning and adjusting and the right mentors, who are preferably experienced businesspeople with a personal connection to migrants or refugees.
- Running a similar programme effectively also requires access to major sources of capital and is a long-term (10+ years) investment.



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## Case study No. 35 – IOM Livelihoods Assistance Programme, Ukraine

### Success story



An internally displaced person from Crimea, **Anatolii** now owns a coffee shop in Kyiv Region. He has been supported by the IOM Livelihoods project. He says, “The grant is a gas pedal; thanks to the equipment received, we managed to hire two more people, improved the quality of our products, increased our product line and therefore increased profits”.

### 1. Basic information

**1.1 Initiative** Livelihoods Assistance

**1.2 Country and locality** Ukraine

**1.3 Time of implementation** 2015–present

**1.4 Implementing organization(s)**

International Organization for Migration (IOM)

**1.5 Nature of the implementing organization(s)** International organization

### 2. Description

#### 2.1 Objectives

The programme aims to support the integration of IDPs and the stabilization of IDP host communities in Ukraine through training activities and grants. Its three main areas of activity offer training and access to grants for employment, self-employment and the growth of existing microenterprises. The first area of activity focuses on vocational training, and the second and third relates directly to entrepreneurship. As part of the activities focusing on entrepreneurship, beneficiaries are first trained in business, management and entrepreneurship skills. They are then supported to develop business plans and to apply for grants in order to either start self-employment activities or expand their existing businesses. By supporting the growth of new IDP businesses, the programme also aims to have indirect impacts on the creation of new jobs and the improvement of public opinion about IDPs. In the meantime, it tries to improve the local business environment for micro-, small- and medium-sized enterprises and to establish economic cooperation between IDPs and their host communities.

#### 2.2 Target groups

This programme targets IDPs and host community members of working age between 18 and 60, prioritizing the following vulnerable segments of the population:

- Unemployed people or those do not have full-time employment
- Disabled people
- People with low income
- Parents who have three or more dependent children
- Single parents
- Former combatants

IOM's communications, information and outreach strategy aims to ensure transparent, accountable and effective project delivery and tailored outreach actions. IOM uses its social media resources and its website to share information about the project and about the local NGO implementing partners. The IOM-supported hotline is also used to promote the project. Under the close supervision of IOM, local NGOs facilitate access to the programme's target beneficiary groups. The NGO partners lead community engagement processes and undertake outreach activities. They reach out to potential participants and inform them about the project objectives, key features of the programme, participation criteria, application procedures and complaint mechanisms. They are also in charge of identifying and pre-screening potential participants according to pre-established eligibility and selection criteria.

#### 2.3 Approaches and activities

The programme includes three major areas of activity which target different groups but all involve the provision of training and grants. The second and third areas of activity are directly related to entrepreneurship and share the same training course content. The three areas of activity are designed as follows:

1. Vocational training. This activity targets beneficiaries in need of employment or wanting to change professions. Beneficiaries are supported with training courses covering employment market analysis, communication with employment centres and agencies, efficient job searching, CV drafting, employer relationships, and so on. The grant provided for this activity area is for vocational training. Interested individuals can apply for funding to follow a vocational course of their choice (with an average value of US\$500). The most common areas of interest include beauty services, IT services and accounting.
2. Self-employment. This activity targets self-employed individuals or those who want to become self-employed. Beneficiaries are supported with training courses on basic business, management and entrepreneurship skills. After successfully defending a business plan, beneficiaries receive a grant for an average amount of US\$900. The grant enables them to start income-generating activities, the most common of which are sewing services, beauty services and agriculture.
3. Microenterprises. This activity targets small business owners. The content of the training is the same as that for the self-employment activity. After completing the training courses and successfully defending a business plan, beneficiaries receive a grant for an average amount of US\$2,700. The grant helps them expand their existing business. The most common types of businesses supported by the microenterprise grants are the same as those for the self-employment grants.

The entrepreneurship training provided in the second and third areas of activity covers topics such as business plan development, analysis of local markets, risk assessment, marketing, accounting and tax reporting, as well as the legal aspects of entrepreneurship such as business registration and financial planning. Participants in the entrepreneurship courses develop and present their business plans at a defence session overseen by IOM technical specialists, relevant NGO partners and local business experts. The participants specify how the grant funds will be used to ensure the self-reliance of their self-employment or small business activities. Each business plan is evaluated using a standardized scoring system. During the evaluation process, the selection panel may request clarifications or modifications prior to making a final decision. Following the approval of promising business plans, beneficiaries receive their grant in-kind: IOM provides the equipment that the beneficiaries have requested, in accordance with their business plans. The procurement modality is therefore centralized, meaning that all grant-related purchases are done by IOM with the support of implementing NGOs and cash is never distributed directly to beneficiaries.

#### 2.4 Institutional setting

Core programme activities are implemented through an established network of partner NGOs. This has helped to decentralize the approach, allowing coverage of all regions of Ukraine. There are approximately 30 partner NGOs,

all registered locally. Two of the largest are Business Community Club (based in Lviv) and Faith, Hope, Lovek (based in Odessa).

IOM and their local partners train participating IDPs and members of host communities. Beneficiaries include ethnic minorities and people with disabilities. IOM and the implementing NGOs also advise participants on the type of grant that best matches their business strategies.

The implementing NGOs, in cooperation with local government employment agencies, undertake a thorough market assessment in the target communities and present participants with the resulting analysis in order to inform their identification of relevant business opportunities. The implementing NGOs use qualitative and quantitative assessment methodologies. They design and deliver technical assistance, provide business counselling support, monitor grant utilization, ensure follow-up troubleshooting and undertake business performance monitoring and reporting in line with pre-identified benchmarks, schedules and formats. The implementing NGOs also monitor the beneficiaries who receive grants, paying special attention to changes in the beneficiaries' well-being, especially with regard to their income level and their standard of living. They also facilitate the integration of the IDPs into the host communities, connecting them with business associations, businesses previously supported by IOM, and government authorities.

IOM has established the National Business Exchange Platform, an online and offline platform which provides a space for discussion, networking, posting of job vacancies, webinars and business resources. In addition, the platform is used as a forum for the development of regional SME programmes and for the public discussion of draft documents. For example, users can submit inputs on relevant regulatory and normative frameworks to ensure that SME programmes pay enough attention to the needs of IDPs and conflict-affected populations.

## 2.5 Funding arrangements

Donors that have provided financial support for the IOM livelihoods programme in Ukraine since 2015 include the Instrument contributing to Stability and Peace of the EU; the Ministry of Foreign Affairs of Japan; the Government of Canada; the UK Department for International Development; the Bureau of Population, Refugees, and Migration of the United States; and KfW Banking Group (on behalf of the German Government). The total amount of financial support received as of November 2017 totalled approximately US\$15.5 million.

## 2.6 Impact and results

Since 2015, the programme has supported more than 10,000 IDPs and conflict-affected people with micro-business and self-employment training; of these, nearly 6,000 were supported with grants for vocational training or business development. The programme has empowered IDPs and members of IDP host communities, creating income-generating opportunities, improving their chances of employment, and helping them to become more self-reliant and economically independent.

IOM, directly and through its implementing partners, maintains close contact with beneficiaries and collects their feedback on a regular basis to ensure that the project responds to the needs and challenges facing beneficiaries. They also collect data on changes in their status and well-being at the individual, household and community levels. In 2016, IOM conducted an impact assessment in the seven eastern regions of Ukraine with the highest number of registered IDPs, namely Donetsk and Luhansk (government-controlled areas), Kharkiv, Dnipropetrovsk, Zaporizhzhia, Odesa and Poltava.<sup>91</sup> Some 86 per cent of beneficiaries said that their lives had generally improved as a result of their participation in the project. In addition, IOM conducted a livelihoods survey in 16 regions of Ukraine between December 2016 and February 2017. It found that 94 per cent of project beneficiaries use assets, skills and knowledge obtained in the project for income-generating purposes. Beneficiaries indicate a high rate of success, with 94 per cent reporting an increase in income and 90 per cent planning to increase their business activities.

## 3. Analysis and discussion

Key success factors:

1. Flexible support. The IOM Livelihoods programme offers tailored packages of support for a number of routes to income generation: the areas of activity promote employment, self-employment and the growth of existing microenterprises. The programme is thus designed to adapt to the particular needs of beneficiaries.
2. Partnerships with government authorities and civil society organizations have helped to increase both local ownership of the programme and the programme's sustainability. The establishment of the National Business Exchange Platform has been key to engaging in and strengthening relationships with all stakeholders at both local and central levels.
3. The National Business Exchange Platform has also been important for helping programme beneficiaries access support from other public and private sources.

Main challenges:

1. Changes to the National Taxation Code introduced since 1 January 2017 led many IDPs (as well as host community members) to cancel their formal business registration processes, as the new legislation requires registered small businesses to pay higher taxes than before. Small business owners are therefore disincentivized from registering their businesses, which poses a particular challenge for the IOM Livelihoods programme, as the IOM requires small business owners to have been registered for at least six months in order to be eligible for the programme's microenterprise support.
2. The sustainability of participants' business activities is constrained by a lack of access to further credit. The IOM provides grants to participating IDP and host community members, either for their self-employment activities or their existing microenterprises, but these beneficiaries struggle to further expand their businesses due to limited access to formal loans. In order to address this challenge, IOM plans to conduct a microfinance feasibility study that will identify the necessary preconditions for facilitating access to formal financing for IDPs and host community members.
3. The recruitment of IDP participants is constrained by the limited capacities that partner NGOs have to conduct outreach activities. More effective engagement of local authorities and civil society is required in order to promote greater participation in the programme, as well as to ensure the programme's sustainability.

## 3.2 Replicability

The IOM livelihoods programming started in 2004 as an Economic Empowerment Programme for the sustainable reintegration of victims of trafficking into society and the prevention of re-trafficking. In 2014, in response to the protracted conflict in Ukraine, the programme was adjusted to facilitate the long-term integration of IDPs into their host communities. In 2016, it was scaled up to the national level and currently it is being implemented in all government-controlled regions of Ukraine.

IOM's good practice of grant disbursement was replicated by the Government of Ukraine in June 2017, when Resolution #1154 of the Cabinet of Ministers of Ukraine launched the Programme to Support Low-Income Families and IDPs. Similar to the procurement modality of IOM Ukraine, the equipment in this programme is procured directly by the implementers and cash is therefore not transferred directly to beneficiaries. Within a three-year period, beneficiaries are to reimburse the full amount through repayments. However, grantees are not required to repay the sum if they hire two IDPs, a measure designed to incentivize and boost legal employment of IDPs.

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## NOTES

- <sup>1</sup> Léandra Ricou, “Design for Peace Transhumance”, 10 May 2016, [www.made-in-town.com](http://www.made-in-town.com).
- <sup>2</sup> <https://globalgoodspartners.org>.
- <sup>3</sup> [www.unhcr.org/5968ce427.pdf](http://www.unhcr.org/5968ce427.pdf).
- <sup>4</sup> Léandra Ricou, “Design for Peace Transhumance”, 10 May 2016, [www.made-in-town.com](http://www.made-in-town.com).
- <sup>5</sup> Executive Committee of the High Commissioner’s Programme, Standing Committee, 66th meeting, “Livelihoods and self-reliance”, EC/67/SC/CRP.15, 3 June 2016.
- <sup>6</sup> [www.unhcr.org/afr/burkina-faso-refugee-artisans-project.html](http://www.unhcr.org/afr/burkina-faso-refugee-artisans-project.html).
- <sup>7</sup> Located 268 km north of the capital, hosting 9,000 refugees.
- <sup>8</sup> They are mostly pastoralists who own livestock: e.g. cows, goats, sheep, donkeys and camels. Most animals were with herders near the Mali–Burkina Faso border (source: <https://reliefweb.int/sites/reliefweb.int/files/resources/SahelMilk.pdf>).
- <sup>9</sup> [www.efd.org/media/uploads/2015/10/Baseline-UNHCR-Burkina-Faso-assessment-part-I6.pdf](http://www.efd.org/media/uploads/2015/10/Baseline-UNHCR-Burkina-Faso-assessment-part-I6.pdf); [www.efd.org/media/uploads/2015/10/Baseline-UNHCR-Burkina-Faso-assessment-part-II2.pdf](http://www.efd.org/media/uploads/2015/10/Baseline-UNHCR-Burkina-Faso-assessment-part-II2.pdf).
- <sup>10</sup> For example, providing information and training about the UNHCR Livelihood strategy 2014–2018; providing technical support to the VSF-Belgium staff on how to advocate with government officials to make sure that refugees are part of beneficiaries of national funding mechanisms for livelihood activities that target poor and marginalized people.
- <sup>11</sup> [www.microfinancegateway.org/sites/default/files/publication\\_files/1graduation\\_factsheet\\_2016\\_long\\_122016.pdf](http://www.microfinancegateway.org/sites/default/files/publication_files/1graduation_factsheet_2016_long_122016.pdf) (pp. 34–38).
- <sup>12</sup> <http://www.efd.org/media/uploads/2016/07/Sahel-IHM-report-Feb-2016-1.pdf>.
- <sup>13</sup> “Milk and income for Malian refugees in Burkina Faso”, 8 July 2015, <http://kora.unhcr.org>; [www.youtube.com/watch?v=bh19wJ9Wjo](http://www.youtube.com/watch?v=bh19wJ9Wjo) (posted by VSF-Belgium on 25 October 2017).
- <sup>14</sup> The cash grants were disbursed by VSF-Belgium to beneficiaries. The source of grants was the Ikea Foundation’s contributions to UNHCR-Burkina Faso.
- <sup>15</sup> Source: UNHCR.
- <sup>16</sup> <http://bscmonrovia.com/index.php/branson-scholarship-program-bsp-i-ii/>.
- <sup>17</sup> In Ghana, Indego Africa’s operations started in 2016. It partnered with another social enterprise, AAKS, founded by a British-educated Ghanaian fashion designer, Akousa Afriyie-Kumi. In Burkina Faso, AAKS has been selected by UNHCR as its designer partner to train Malian camp refugees in the Sahel region. Since April 2017, in parallel with its operations in Ghana targeting local female artisans, AAKS has been implementing a project called “Weave for Change” under the UNHCR artisan value chain programme, in several African countries.
- <sup>18</sup> In Rwanda, every six months, selected female artisans have the opportunity to participate in an advanced business education programme at the Indego Africa Leadership Academy, where more than 100 women have been trained in leadership skills since 2014. A separate leadership programme (advanced business, technology and entrepreneurship training) has become available for selected young women in Rwanda since July 2017. These components are not yet available to Burundi artisans in the Mahama camp.
- <sup>19</sup> The African Growth and Opportunities Act provides duty-free market access to the United States for qualifying Sub-Saharan African beneficiary countries.
- <sup>20</sup> The products made by Indego Africa cooperative partners are sold through two types of distribution channels: (1) 65 per cent of Indego’s product sales are to wholesalers, who order in larger volume (good for the artisans) and resell at a markup in their own store; and (2) 35 per cent of Indego’s product sales are through its e-commerce website, which has the benefit of higher margins (i.e. at retail, not wholesale price).
- <sup>21</sup> Many of the Rwandan cooperatives that Indego Africa currently works with existed before partnering with Indego Africa. Although nearly 80 per cent of trainees who have completed the technical training have chosen to stay in their cooperatives, the rest have opted to form their own cooperatives.
- <sup>22</sup> The training was originally planned for three months, but it took a couple of extra months until all trainees got accustomed to the weaving styles of Indego’s designs.
- <sup>23</sup> [www.unhcr.org/rw/12173-midimar-unhcr-joint-strategy-partners-economic-inclusion-refugees.html](http://www.unhcr.org/rw/12173-midimar-unhcr-joint-strategy-partners-economic-inclusion-refugees.html).
- <sup>24</sup> Indego Africa 2017 Annual & Social Impact Report: Celebrating 10 years (p. 4).
- <sup>25</sup> UNHCR’s artisan project strategy aims to connect refugee artisans with global markets by partnering with local social enterprises in six countries in East Africa and Southeast Asia (UNHCR, 2016 Global Strategy Implementation Report).
- <sup>26</sup> An international NGO supporting local entrepreneurs in Rwanda.
- <sup>27</sup> The methodologies used to select the “high-growth-potential businesses” are interviews and site visits. When Inkomoko interviews the refugee entrepreneurs, staff ask questions about their business, their long-term plans, job creation and so on. At site visits, Inkomoko reviews the business location, the market and the number of employees in the business.
- <sup>28</sup> This is a new element added after the 2016 pilot project, when it was found that refugee entrepreneurs were not recording their business transactions and were often unable to assess whether their business would need a loan and whether they would be able to repay it. In partnership with the Mastercard Center for Inclusive Growth, Inkomoko has developed booklets which help entrepreneurs track their cash and inventory, record sales and expenses, and keep an up-to-date list of debtors and creditors.
- <sup>29</sup> Kiva, a non-profit international organization based in the United States, provides microfinance to borrowers in 86 countries. It is the primary investor in AEC Rwanda Trustee, which uses a revolving line of credit granted by Kiva to disburse the funding for eligible entrepreneurs.
- <sup>30</sup> [www.unhcr.org/rw/wp-content/uploads/sites/4/2017/07/1-pager-Inkomoko.pdf](http://www.unhcr.org/rw/wp-content/uploads/sites/4/2017/07/1-pager-Inkomoko.pdf).

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- <sup>31</sup> In Rwanda, refugees holding UNHCR documents have the right to do business, and they are not required to apply for a work permit.
- <sup>32</sup> <https://hbr.org/2016/10/research-refugees-can-bolster-a-regions-economy>.
- <sup>33</sup> "Uganda: vocational skills contribute to refugee integration", International Trade Forum, Issue 3 (pp. 24–25).
- <sup>34</sup> As part of this topic, trainees learn to write a "constitution" for their business (a document identifying, for example, the business location, organizational mission, leadership structure and frequency of meetings), as well as conflict resolution and group formation processes and management (for those setting up a business with others).
- <sup>35</sup> For example, bakery graduates receive an oven, a table, a chair, some baking flour and ingredients; electronics graduates receive an electronics toolbox; and hairdressing graduates receive a mirror, a washing basin, a trolley, and weaves and mats.
- <sup>36</sup> NRC, "Vocational Skills Training Graduate: Post Distribution Monitoring (PDM) Report", October 2016.
- <sup>37</sup> *Ibid.* (p. 5).
- <sup>38</sup> *Ibid.* (p. 4).
- <sup>39</sup> A Tokyo-based NGO helping asylum seekers and refugees with legal, social, employment and community needs.
- <sup>40</sup> For example, in 2016, although 10,904 people applied (up from 7,586 in 2015), only 28 applicants (27 in 2015) received legal refugee status ([www.moj.go.jp/content/001217009.pdf](http://www.moj.go.jp/content/001217009.pdf)).
- <sup>41</sup> Former refugees or asylum seekers who have become Japanese citizens are also eligible to apply.
- <sup>42</sup> A temporary work permit is normally issued six months after the Japanese authority acknowledges receipt of the refugee-status application. This norm, however, is expected to be changed in 2018 as the Japanese authority aims to curb a growing number of reapplications from overstaying foreign nationals who abuse the current refugee application procedures ([www.moj.go.jp/content/001244610.pdf](http://www.moj.go.jp/content/001244610.pdf)).
- <sup>43</sup> Satoko Horii, "Japanese civil society groups are helping support refugee entrepreneurs, despite government reluctance", 19 December 2016, The Conversation, <http://theconversation.com>.
- <sup>44</sup> Up to ¥1 million (about US\$8,800) for a maximum period of five years with no requirement for security or guarantors.
- <sup>45</sup> There is no fixed rule on the duration of technical assistance; however, on average, it lasts three to six months.
- <sup>46</sup> A group of philanthropists aiming to accelerate social entrepreneurship in Japan by contributing professional know-how, financial resources and philanthropic passion to social entrepreneurs.
- <sup>47</sup> Satoko Horii, "Japanese civil society groups are helping support refugee entrepreneurs, despite government reluctance", 19 December 2016, The Conversation, <http://theconversation.com>.
- <sup>48</sup> Because of the lengthy process for determining refugee status and the limited social benefits available to asylum seekers, many of these entrepreneurs are forced to start setting up their businesses while their legal status in Japan has not been decided.
- <sup>49</sup> The ideal level of funding for the ESPRE Secretariat to assist five qualified entrepreneurs is about US\$90,000 a year, which would allow them to double the current ceiling of a microcredit loan, from ¥1 million to ¥2 million. In the longer term, to maintain the capacity to support at least 10 entrepreneurs, a similar programme would need US\$250,000–300,000.
- <sup>50</sup> The Nepalese government introduced operational guidelines for homestay businesses in 2010 with the aim of encouraging small business start-up, and generating self-employment and economic growth in rural communities.
- <sup>51</sup> A family of four in Damascus needs US\$350/month, of which at least US\$100 is for renting an apartment.
- <sup>52</sup> [www.intracen.org/news/Partnering-with-Japan-to-connect-displaced-Syrian-women-to-markets/](http://www.intracen.org/news/Partnering-with-Japan-to-connect-displaced-Syrian-women-to-markets/).
- <sup>53</sup> UNHCR was responsible for the identification of the 10 enterprises, including Afrika Tiss (whose project in Burkina Faso is covered in Case study No. 7) and Indego Africa (whose activities in Rwanda are documented in Case study No. 5).
- <sup>54</sup> The National (United Arab Emirates), "Tough times spur spirit of entrepreneurialism", 16 August 2017, [www.thenational.ae](http://www.thenational.ae).
- <sup>55</sup> InnoCampus is a business accelerator that travels around Turkey. Their workspace is a made up of portable containers which can be assembled and reassembled in a day. Their workspace is a place where young entrepreneurs can work on their business plan, collaborate with other businesses and create prototypes of products.
- <sup>56</sup> UN, 2015, International Migration Report Highlights (p. 7).
- <sup>57</sup> [http://ec.europa.eu/eurostat/statistics-explained/index.php/File:Immigration\\_by\\_citizenship,\\_2015\\_\(%C2%B9\).png](http://ec.europa.eu/eurostat/statistics-explained/index.php/File:Immigration_by_citizenship,_2015_(%C2%B9).png).
- <sup>58</sup> [https://www.bertelsmannstiftung.de/fileadmin/files/BSV/Publikationen/GrauePublikationen/NW\\_Migrantenunternehmen.pdf](https://www.bertelsmannstiftung.de/fileadmin/files/BSV/Publikationen/GrauePublikationen/NW_Migrantenunternehmen.pdf).
- <sup>59</sup> <https://www.migrantinnengruenden.de/>.
- <sup>60</sup> <https://www.frauenmitfluchterfahrunggruenden.de/>.
- <sup>61</sup> [https://www.integrationsbeauftragte.de/Webs/IB/DE/Themen/GesellschaftUndTeilhabe/Medien/2017-03-22-study-on-female-refugees.pdf?\\_\\_blob=publicationFile&v=3](https://www.integrationsbeauftragte.de/Webs/IB/DE/Themen/GesellschaftUndTeilhabe/Medien/2017-03-22-study-on-female-refugees.pdf?__blob=publicationFile&v=3) (p. 34).
- <sup>62</sup> <http://www.jump.de/>.
- <sup>63</sup> <https://www.migrantinnengruenden.de/handbuch-leitfaden-und-praxisorientierte-vorschlaege-aus-dem-projekt-migrantinnen-gruenden-zusammenfassung-des-abschlussberichts/>
- <sup>64</sup> The Birds are bird sculptures made from recycled materials (mostly parts of plastic lifejackets found on the shores of Lesbos). The Birds were made during a festival in Lesbos, by a team called IDEA, and with the involvement of Greek students, students of Mytilenes special school and refugee children. In 2018 The Birds will travel to cities around Europe to promote the idea of collaboration and peace.
- <sup>65</sup> Source: [www.acm.gov.pt](http://www.acm.gov.pt).
- <sup>66</sup> Source: <http://projects.ypei.ca>.

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<sup>67</sup> Source: <http://ec.europa.eu>.

<sup>68</sup> The Asylum, Migration and Integration Fund (AMIF) was established by the European Commission for the period 2014–20, with a total of €3.137 billion for the seven years.

<sup>69</sup> Source: Evaluation report undertaken by the Centro de Estudios de Desarrollo Regional e Urbano (CEDRU) in 2014. In order to obtain the data, CEDRU telephoned 346 participants (out of a universe of 1,441), of which 77 created businesses and allowed the analysis made and mentioned above.

<sup>70</sup> Source: Evaluation report undertaken by CEDRU in 2014.

<sup>71</sup> [http://ec.europa.eu/eurostat/statistics-explained/index.php/Migration\\_and\\_migrant\\_population\\_statistics](http://ec.europa.eu/eurostat/statistics-explained/index.php/Migration_and_migrant_population_statistics).

<sup>72</sup> [http://popstats.unhcr.org/en/overview#\\_ga=2.222814619.1222290108.1513847760-437267542.1510916661](http://popstats.unhcr.org/en/overview#_ga=2.222814619.1222290108.1513847760-437267542.1510916661).

<sup>73</sup> <http://fundacionmujer.org/>.

<sup>74</sup> The International Policy Centre for Inclusive Growth 2017 (p. 65).

<sup>75</sup> <http://www.unhcr.org/news/latest/2017/9/59aba6784/costa-rica-gives-refugees-opportunities-succeed.html>.

<sup>76</sup> UNHCR, Comprehensive Solutions Strategy 2014–2016 (p. 1).

<sup>77</sup> UNHCR, Ecuador Multi-year and Multi-partner Protection and Solutions Strategy 2018–2020 .

<sup>78</sup> <http://www.unhcr.org/protection/resettlement/55b1fc649/hias-latin-america-quito-ecuador.html?query=HIAS>.

<sup>79</sup> <https://data2.unhcr.org/en/documents/download/50852>.

<sup>80</sup> UNHCR Graduation Model Final Evaluation, UNHCR – Trickle UP, 2017

<sup>81</sup> Science concludes, “ Although more can be learned about how to optimize the design and implementation of the program, we establish that a multifaceted approach to increasing income and well-being for the ultrapoor is sustainable and cost-effective”. And The Economist states, “The costs of the schemes, which varied from \$414 per participant in India to \$3,122 in Peru, look daunting. But the help is intended as a one-off, whereas many anti-poverty drives in the developing world are never-ending. That makes graduation programmes cheaper than many of the alternatives”.

<sup>82</sup> Department is similar to a subregion.

<sup>83</sup> The UN Joint Migration and Development Initiative (JMIDI) is a partnership of the United Nations, the European Commission and the Swiss Agency for Development and Cooperation, aiming to make migration work for development.

<sup>84</sup> UN JMIDI – Migration for Development, [http://migration4development.org/sites/default/files/en-jmidi-success\\_stories.pdf](http://migration4development.org/sites/default/files/en-jmidi-success_stories.pdf).

<sup>85</sup> The original group was formed during Canada’s Syrian refugee resettlement program in 2015, when volunteers came together to organize clothing drives for the newcomers. Their focus on refugee employment started in the fall of 2016, following the arrival of 25,000 Syrian newcomers ([www.thestar.com/news/immigration/2017/03/03](http://www.thestar.com/news/immigration/2017/03/03)).

<sup>86</sup> More than 80 people applied. The trainees accepted were mostly from the Syrian Arab Republic, followed by Iraq, Libya and Egypt. Some trainees lived nearly 100 km away from downtown Toronto.

<sup>87</sup> For example, EcoEquitable in Ottawa; Haween Enterprises by Somali Women and Children’s Support Network in Toronto; The Newcomer Women’s Sewing Collective in Peterborough; and SewFair by the Canadian Muslim Women’s Institute in Winnipeg.

<sup>88</sup> <http://newcomerwomen.org/about.html>.

<sup>89</sup> For example, SisterWorks and Stitch Social Enterprise in Australia; Open Arms (Austin, Texas) in the United States.

<sup>90</sup> See, for instance, “This Immigrant Teaches Sewing Skills To Empower Refugees: An Indian immigrant in Ohio is helping Bhutanese women to be economically independent through her new program”, 2 October 2017, [www.huffingtonpost.com](http://www.huffingtonpost.com); “How to Support Refugees as a Sewist”, [www.sewmamasew.com](http://www.sewmamasew.com); “Entrepreneurial Leadership and Sewing Training”, 23 May 2017, <http://ascafrica.org>.

<sup>91</sup> IOM, 2016, Comprehensive Stabilization Support to IDPs and the Affected Population in Ukraine, Project Impact Assessment Report.





