



Summary: PS4R Knowledge Event

How the private sector is adapting its work with refugees in the context of Covid-19
November 10, 2020

Purpose: This knowledge focused on how to move from knowledge to operations in the private sector's work with refugees. The Private Sector for Refugees (PS4R) initiative is a partnership that was launched in Paris in 2019 and is led by the World Bank Group (WBG), the International Chamber of Commerce (ICC), the UN Refugee Agency (UNHCR), the European Investment Bank (EIB) and the Confederation of Danish Industry (DI). Last year in Paris, actors from the private sector, development and humanitarian institutions, philanthropy and others came together and developed the Charter of Good Practice, with 20 principles focused around entrepreneurship, employment, investment and products & services.

Key takeaways:

- **High level support:** Strong support was demonstrated from leadership of the ICC (Secretary General John Denton), WBG (Managing Director for Development Policy and Partnerships Mari Pangestu) and UNHCR (High Commissioner Filippo Grandi) who all had recorded videos showing their support for the agenda.
- **Products and Services:**
 - *Mastercard:* Ms. Kapadia underlined that the needs of displaced people are similar to the rest of the global population. Her team at Mastercard seeks to bring innovation and a shared values' approach to develop new business models, working to support digital cash transfers in refugee communities. She also noted that more and better data on how refugees spend their disposable income is needed to help SMEs support the market more robustly.
- **Entrepreneurship:**
 - *Mutatuzi Tanguy:* Mr. Tanguy received services provided by INKOMOKO, which included a 1-year training program and access to two loans for his business. INKOMOKO also gave him access to new grants to help him adapt to the Covid-19 pandemic and shift his business model. According to Tanguy, PS4R can help entrepreneurs by providing

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assistance to intermediaries and by viewing refugees as co-contributors, helping them gain collateral for loans to support their businesses.

- *IOM*: IOM supports a pilot project working with migrants and refugees, as well as governments, to create the framework and regulations needed to formalize businesses and to access low interest loans. The project also works with the private sector on the value chain development, impact investment, and procurement so the private sector can effectively support and scale up businesses. IOM's project aims to bring out the top entrepreneurs from each of the five countries IOM operates in, highlighting key achievements, and working towards creating a positive narrative. PS4R should help create a legal framework to formalize migrant and refugee businesses.
 - *Bogota Chamber of Commerce*: ICC office in Colombia has developed a pilot project to strengthen the capacities of Venezuelan refugees. The Bogota Chamber launched the pilot project between August and December 2019. The programme provides support to Venezuelan migrants with business experts and uses social networks and digital platforms. The Chamber views PS4R as an excellent opportunity to encourage refugee entrepreneurs and help providing them with services.
- **Employment**
 - *TENT*: The first challenge is the high unemployment rate around the world in refugee hosting countries. Second challenge is the rising xenophobia. Third challenge is that refugee serving nonprofits are under acute financial stress. PS4R can assist by providing an enabling regulatory environment to allow for policies supporting business that are hiring refugees.
 - *UNHCR France*: The current crisis is not only a health crisis, but also a socio-economic crisis. UNHCR has reinforced humanitarian assistance, including water sanitation health responses, including mental health, and also stepped up support for refugee education. UNHCR has also strengthened their response in terms of shelters, cash grants, with many refugees calling for direct financial support. The private sector can support PS4R by working to find solutions for refugees by helping connect them with the labor market and facilitating their access to jobs; and, by raising awareness about the potential of refugees. UNHCR

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works with the private sector to improve connectivity with refugees. CSOs remain important, at the beginning of the pandemic, UNHCR set up a coordination group with NGOs and government partners to discuss challenges among refugees.

- **Investment:**

- *GroFin*: GroFin designed marketing and digital plans for some refugee companies. Also, it improved their governance. During the first lockdown period, GroFin supported companies on the economic level. Covid-19 imposed high challenges for many businesses, except for a few sectors. Lockdown reduced demand and Syrian people are suffering more. One of GroFin's aims is supporting refugees, SMEs and employees. From the PS4R, GroFin needs soft loans to support Syrian refugees' jobs and technical assistance programs. Interventions are gender targeted and have around 1/3 of the fund owned by Jordanian entrepreneurs and a couple of them are Syrian migrants.
- *IFC*: IFC works to promote the support to refugees through different channels when it comes to the banking and financial institutions. Microfinance institutions are more open from a mandate/operational standpoint to integrate and link refugees to economic activity. IFC provides microfinance institutions funding and risk protection. By shouldering this risk, it boosts the instructions and eases access for refugees. The current crisis poses new challenges as financial institutions shift towards the conservative side. Digital serves is one of the main channels to delivering access to finance and sees this as a way to onboard their investment and advisory sides. This works well for small/medium sized transactions, but not for larger ones.

Conclusions:

- Suggestions received from speakers on the next steps for PS4R:
 - *Supporting investment intermediaries*: help entrepreneurs by providing assistance to intermediaries (e.g. collateral);
 - *Improving the way refugees are perceived*: allow refugees to be seen as co-contributors, rather than victims, to encourage them to act in the economic realm and improve their access to services;

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- *Encouraging refugee entrepreneurship:* encourage refugee entrepreneurs and help providing them with services;
- *Strengthening the relationship between refugees and host communities:* As refugees often have specific expertise, skills and networks in the job market they can train and support the local host community. PS4R can connect actors with project leads who have particular experience in this regard;
- *Promoting policies that facilitate refugee access to the job market;*
- *Connecting refugees to the labor market and access to jobs:* Private sector can support PS4R by working to find solutions for refugees by helping connect them with the labor market and facilitating their access to jobs;
- *PS4R and private sector to provide soft loans and technical assistance to create jobs for refugees.*

Participants

Benjamin Herzberg, Senior Private Sector Specialist, World Bank Group; **Daphne Yong d'Hervé**, Director, Peace and Prosperity, International Chamber of Commerce; **Sasha Kapadia**, Director, Humanitarian & Development, **Mastercard**; **Mutatuzi Tanguy**, Burundian refugee entrepreneur in Rwanda; **Tanja Dedovic**, Senior Regional Thematic Specialist, International Organization for Migration; **María Mónica Conde Barragán**, Vice President, International Affairs and Cooperation, Bogota Chamber of Commerce; **Scarlet Cronin**, Senior Director of Private Sector Partnerships, Tent Partnership for Refugees; **Céline Schmitt**, Spokesperson - Senior External Relations Officer for UNHCR France; **Alfinaz Murad**, Investment Executive, GroFin Jordan; **Khaled Walid Qutob**, Senior Investment Officer, International Finance Corporation (IFC). Approximately 110 participants in total.

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