



REFUGEE
INVESTMENT
NETWORK

PARADISE SHIFT

**How investment can unlock
the potential of refugees**

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October 2018



About the Refugee Investment Network

The Refugee Investment Network (RIN) is the first impact investing and blended finance collaborative dedicated to creating long-term solutions to global forced migration. The RIN is a specialized investment intermediary that facilitates the movement of capital

from commitment to active investment by sourcing, structuring, and supporting the financing of projects and companies that benefit refugees and host communities. Ultimately, the RIN aims to bridge the gap between the untapped investment potential of refugee entrepreneurs and refugee-supporting businesses and capital markets to spur economic growth, create jobs, and increase socio-economic stability among forcibly displaced people.

Legal disclaimer

The Refugee Investment Network (RIN) operates within the Global Development Incubator, a US-based non-profit, 501(C)(3). Among many activities, the RIN also intends to act as a forum in which persons may discuss and educate themselves on commercial aspects involving refugees. The RIN, therefore, is not a venture fund, an investment bank, a broker dealer, an investment clearing-house or an investment advisor.

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Acknowledgements

This report would not be possible without the heroic contributions of many colleagues and friends of the Refugee Investment Network (RIN). We would like to thank Joanne Ke Edelman, our brilliant co-author and editor who tolerated late nights and early mornings to get us across the finish line, and the team at the Global Development Incubator (GDI) including Andrew Stern, for your keen and expedient editorial suggestions, and Sara Wallace Beatty and Malia Bachesta Eley for keeping us (relatively) on deadline and for your editorial and formatting expertise. Our Steering Committee members were incredibly generous with their time and expertise—their contributions were immense. In particular, we would like to thank Michael Levett for your drafting, wisdom, and levity; Justin Sykes and Michelle McMahon for your support with sourcing; Lev Plaves for your data and fellowship; Alice Bosley and Patricia Letayf at Five One Labs for understanding our inability to join you in Erbil (this time); Jae Kim and Artemis Seaford for responding to our

inquiries in the final hour; Ruma Bose and Jonathan Glencross at Humanitarian Ventures for open sourcing your use cases; Amy Slaughter for sharing your knowledge on self-reliance and program measurement; and David Young and BCG's Centre for Public Impact for creating space for “an agile facilitating body.” We are indebted to Steve Zausner and the Office:FMA team for introducing us to GDI and for being early thought partners; Dan Runde, CSIS, and the Taskforce on Global Forced Migration for setting the bar on actionable research in this field; our Foreword co-authors Warren Valdmanis and Anne-Marie Grey for your thoughtfulness and endorsement of this work; our families for enduring long hours and animated Skype discussions; and Dr. Christine Mahoney for laying the groundwork for impact investing's role in forced migration solutions.

We would especially like to thank the RIN's Founding & Supporting Partners: the Patrick J. McGovern Foundation, Landry Family Foundation, and USA for the UNHCR.

The road ahead

This report is neither the definitive nor final mapping of refugee and forced migration investing. It is an opening chapter of an unwritten story of human potential and an emerging, necessary, and promising field—one that we hope you will join us in building. As the narrative of a new investment lens evolves, and as the RIN continues to develop investable prototypes to build the connective tissue for investors to engage, we welcome your partnership with open arms. In the months ahead we will continue to publish cases, curricula, and tools to facilitate investment in and with displaced communities.

If you are interested in being part of this effort, please email us at info@refugeeinvestments.org. We also welcome your feedback, counsel, and questions about this report or the field of refugee investments.

With gratitude,

John Kluge, Founder and Managing Director, and
Timothy Docking, Ph.D., Managing Director of the
Refugee Investment Network



Foreword

It is a tragedy that history provides so few examples of humanitarians and investors working together, but we believe it is time for history to stop repeating itself. Today it may seem unusual for a publication foreword to be co-authored by an executive from one of the world's leading private investment firms and the CEO of USA for UNHCR (The UN Refugee Agency), but we see this kind of partnership as tomorrow's "new normal."

As the RIN's report demonstrates in the following pages, it is time for a paradigm shift.

Many of today's social, health, environmental, and economic challenges are of a scale that requires creative, new solutions and massive financing. While foreign assistance and humanitarian aid are vital and often heroic, neither are sustainable in the long-term, reliable over the short-term, or capable of providing the scale of financing needed to solve problems that seem unsolvable. What's more, we know that in the case of one particular challenge—global forced migration—displaced people already possess many of the best ideas for solving it.

Consider the story of Nyema Tubman and Richelieu Dennis, two friends who were displaced in the United States during a civil war in their home country of Liberia. Out of necessity—to earn a living in New York—Nyema and Richelieu started a small soap company. Over 26 years, they grew Sundial Brands into a \$240M portfolio of personal care brands employing over 3,500 Ghanaian women. Bain Capital became a minority investor in Sundial in 2015 and Unilever acquired Sundial just last year. Sundial has now invested \$50M to kick start the New Voices Fund, a \$100M fund for women of color.

Nyema and Richelieu are inspirational examples of the untapped potential of displaced entrepreneurs. When entrepreneurs like them are given the chance to break through heavy social and institutional constraints, they can bring innovative ideas out of the dark and into the light. New narratives, sustainable models, and bold partnerships—as described in this report—are essential to creating opportunities that allow entrepreneurs to emerge and scale. From public to private sector players, and everyone in between: All of us need to step up.

When we consider the needs of the world's nearly 70M forcibly displaced people, we share common concerns for their protection, dignity, and future prosperity. Similarly, we share a commitment to unlocking sustainable investments that promote refugee self-reliance. Yet, many of us don't know how: Investors and financiers struggle to identify, assess, and structure deals in new and sometimes frontier markets. Similarly, development and humanitarian professionals struggle to generate deal flow or attract investors. Worse, displaced entrepreneurs are either kept out of investment discussions or simply not on the investment map at all. Moreover, these parties rarely speak the same (figurative) language and seldom see eye-to-eye.

In other words, we often understand the “what” and the “why” of engaging the private sector—it’s the “how” that is so difficult.

The authors of this report understand this point and set out to answer the hard questions that follow: Who are the entrepreneurs and how do we support them? Where are the investable deals and how do we identify the good ones? How can we de-risk capital and conveniently blend finance? What tools are in the marketplace and how do we use them to measure whether our investments are actually improving the lives of people in displaced communities? How do we define a “refugee investment”?

These are the difficult yet essential questions that need to be answered to help investors move from the sidelines to the playing field. You can’t tell capital what to do, but you can count on capital to move toward opportunity. And as the RIN illustrates, opportunities for sustainable investment in and with refugees abound, promising both financial and social returns.

Finally, while this report is geared towards the impact investor, it is written by (and also for!) humanitarian and development professionals who are well-grounded in the realities of investing and working in nascent and sometimes far-flung markets. The result is neither a panacea nor a rehash of investor or development constraints.

Instead, the authors present new and carefully measured pathways for hope and prosperity, both of which, they argue convincingly, will emerge when investors and humanitarians like us put yesterday’s doubts and concerns in the rearview mirror, and start working towards a future where refugees are recognized as good investment partners.

Anne-Marie Grey,
Executive Director, USA for UNHCR



Warren Valdmanis,
Managing Director, Bain Capital Double Impact



Executive summary

Paradigm Shift tells a story of need, opportunity, and promise, and presents an exciting pathway for investors to build a sustainable *refugee investment* strategy.

It's a story of refugees, forcibly displaced people, and their hosts—collectively tens of millions of people worldwide—who in many cases are poised for economic growth, but need leadership from innovative and courageous capital partners to unlock it. This report aims not only to describe the massive and urgent need to bridge private capital that will help mitigate today's refugee crisis, but also presents concrete and sustainable opportunities to do so, along with strategies for success. In the end, it argues that changing the current investor paradigm to usher in an era of refugee investments is not only achievable—it's already underway.

In *Paradigm Shift*, the RIN presents a market that is both hopeful and often overlooked because of the high perceived risks associated with investing in refugees. The report's data reveal that refugees are indeed employable, hardworking, credit-worthy, and ultimately, investable—facts that are already benefiting smart investors and their refugee partners. International donors, most notably the United Nations, are also pressing ahead to fill the massive funding gap in their budgets to finance the 2030 development agenda represented by the 17 Sustainable Development Goals, to which global forced migration is inextricably linked.

So, what exactly is a “refugee investment”? In *Paradigm Shift*, the RIN presents a first-of-a-kind “Refugee Lens” as an actionable tool for investors to qualify both prospective and historical deals.

The report also presents the rationale for a broad definition of refugee to include not only forcibly displaced people, but also their hosts.

Research and analysis for this report reveals that innovative refugee investments are already taking shape—even in a resource-constrained environment where billions of dollars rest on the sidelines, waiting for guidance on how to engage. The RIN conducted over 100 interviews for this report to understand the primary barriers to refugee investing and how existing efforts are overcoming them. Concerns around sourcing, structuring, human capacity and restrictive policy and regulatory environments topped the list of challenges for investors. Meanwhile, the report shares several case studies of deals demonstrating how the use of blended capital and other creative financing structures can mitigate these risks.

One theme central to *Paradigm Shift* is the current lack of—but urgent need for—“connective tissue,” or the specialized intermediaries in the refugee investment marketplace that can bridge the need with the opportunity to create a sustainable and scalable market. The RIN fills this gap with targeted and timely research and education on investable refugee opportunities; facilitation enhanced by its network of partners, contacts, and members; and through advocacy for pro-refugee policies using creative financial incentives.

Above all, *Paradigm Shift* highlights that more can—and must—be done. The report concludes with an “all capital on deck” call to action and recommendations for the impact investment community, foundations and corporations, and institutional and faith-based investors: Be bold, take the lead in changing your system, and collaborate with the RIN and other early movers to shift the paradigm!

Acronyms

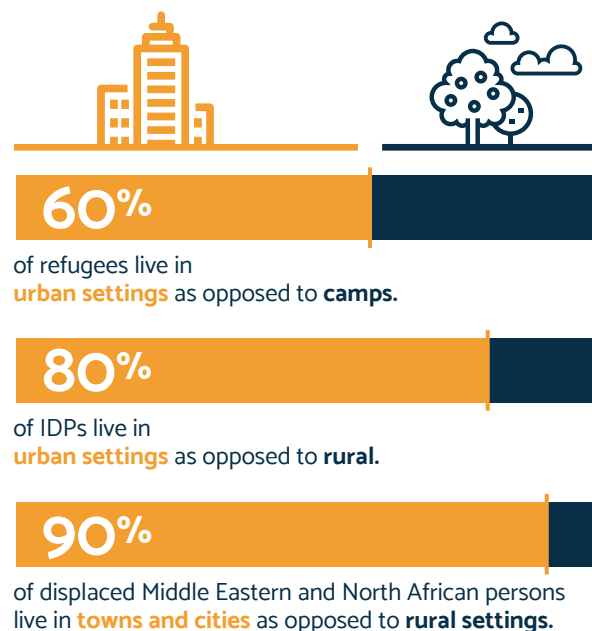
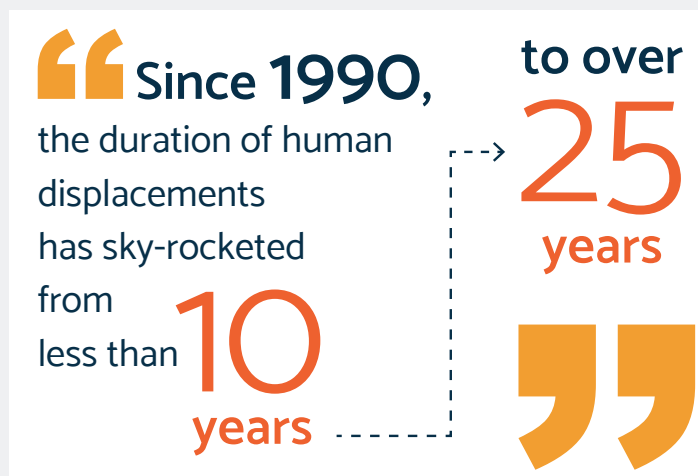
| | |
|-------|--|
| ANDE | Aspen Network of Development Entrepreneurs |
| AVF | Ascend Venture Fund |
| BCG | Boston Consulting Group |
| CSIS | Center for Strategic and International Studies |
| DFI | Development Finance Institution |
| DIB | Development Impact Bond |
| EMPEA | Emerging Markets Private Equity Association |
| FDO | Foundation Directory Online |
| GADC | Gulu Agricultural Development Company |
| GDI | Global Development Incubator |
| HIB | Humanitarian Impact Bond |
| IDP | Internally Displaced Person |
| IFC | International Finance Corporation |
| IFI | International Finance Institution |
| IRC | International Rescue Committee |
| JVS | Jewish Vocational Service |
| MFI | Micro-Finance Institution |
| MCC | Millennium Challenge Corporation |
| ODA | Overseas Development Aid |
| OPIC | Overseas Private Investment Corporation |
| RIN | Refugee Investment Network |
| SDG | Sustainable Development Goal |
| SEAF | Small Enterprise Assistance Fund |
| SEM | Social Entrepreneurship at the Margins @ The Miller Center for Social Entrepreneurship |
| SIB | Social Impact Bond |
| UNHCR | The UN Refugee Agency |
| WEOF | Women Entrepreneurship Opportunity Facility |
| WRF | World Refugee Fund |

1 Defining the market

In the humanitarian and international development context, the term “refugee” applies to a specific and defined set of people who have been forced to leave their country of origin because of persecution, war, or violence.¹ In 2017, the United Nations Refugee Agency (UNHCR) tracked more than 25M refugees worldwide, over half of whom are women. With the inclusion of “internally displaced people” (IDPs)—those who have been displaced within their own country due to armed conflict, generalized violence, or human rights violations—UNHCR’s total number of “forcibly displaced” people worldwide swells to nearly 70M.

Yet the aggregate of “officially” recognized IDPs and refugees fails to capture the growing number of people forcibly displaced due to famine, drought, and other natural disasters, as well indigenous peoples who have faced discrimination and oppression.² If trends from 2000-2015 continue, global forced migration will exceed 300M people by 2030, making today’s already unprecedented level of displacement look small by comparison.³ This trend is particularly alarming given that most forcibly displaced people will neither be resettled nor ever go home—even if they want to. The average time someone is displaced today is 26 years,⁴ making protracted displacement the new normal.

Forcibly displaced people of all types share many common challenges: experiencing homelessness, poverty, underinvestment, a lack of protection, and restrictive social and legal rules, among others.⁵



Yet against all odds, forcibly displaced people have proven time and time again that they are resilient, hopeful, and extraordinarily resourceful contributors to the communities where they end up. Thus, the RIN defines the investment market for “refugees and forced migration” in a broad sense, inclusive of those forcibly displaced internally and forced across borders by violence, persecution, and natural disaster.

A delineation of terms and characterization of “refugees” for the investor community would be incomplete without acknowledging the role played by refugee “hosts,” or the communities where refugees live. Estimates place approximately 80% of all IDPs in urban settings, with 60% of refugees living in towns or cities.⁶ Investments aimed at lifting up refugees should also target host communities that both struggle with their own challenges and endure significant burdens while supporting displaced people. This dual focus has enormous potential to improve regional stability, trust, social cohesion, and economically driven integration. Conversely, solely focusing investment on displaced communities can lead to an increase in tensions and hostility. In light of this need for balance, we also include refugee hosting communities as part of the refugee and forced migration investment “market.”

Forced displacement by the numbers

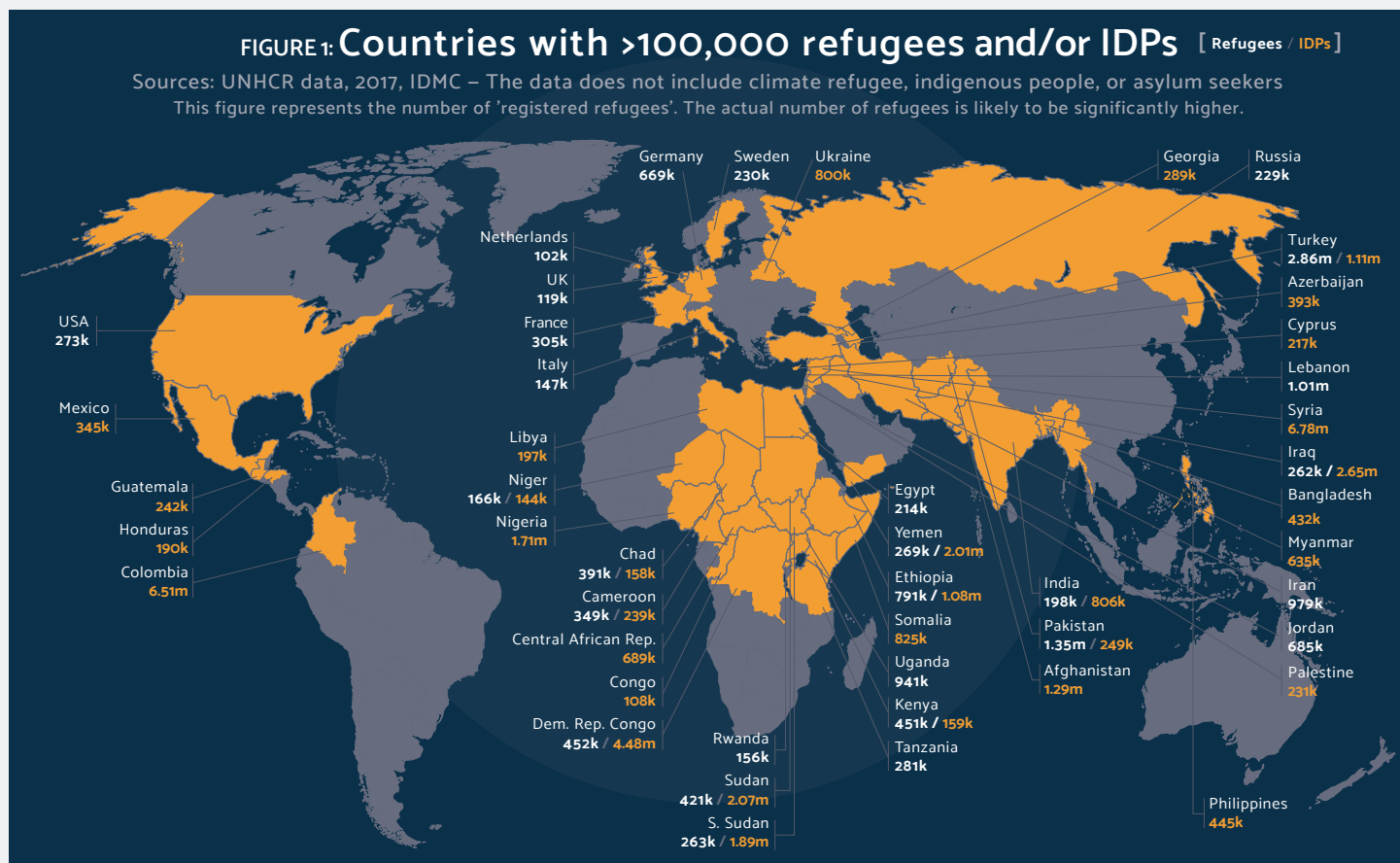
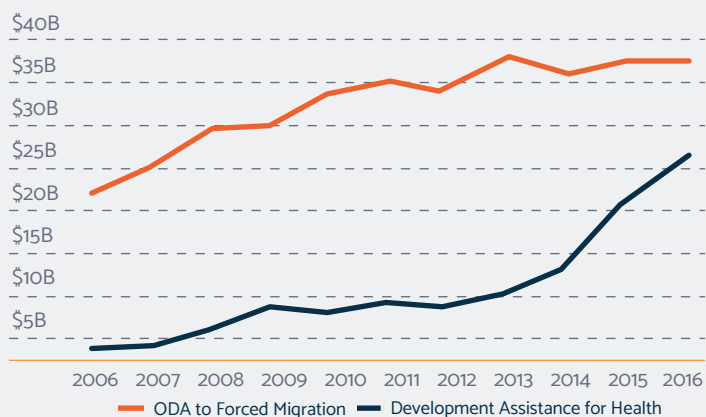
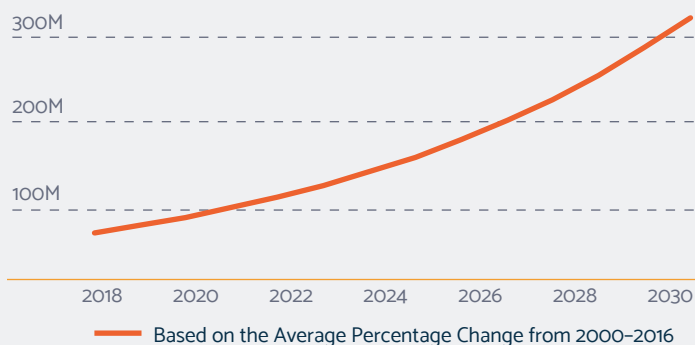


FIGURE 2
Spending on forced migration compared to global health



Source: CSIS

FIGURE 3
Projected global displacement scenarios by millions of people



Source: CSIS

2 The case for investment

Refugees are investable

A growing body of evidence demonstrates that refugees are a smart investment. In the U.S., for example, immigrants have made enormous contributions to the country's economy, though few residents fully comprehend the scale—including that 40% of Fortune 500 companies were built by immigrants or their children and that these 216 companies produced \$5.3T in global revenue and employ 12.1M workers worldwide.⁷ Some of these immigrants came to the U.S. because they were forcibly displaced, making them what we call “extreme entrepreneurs.” Daniel Aaron, for example, was a refugee from Nazi Germany who eventually co-founded Comcast, which in 2017 had revenue of \$84.53B and employed over 164,000 people. Stories like Daniel's reinforce our understanding of how refugees are smart, eager to seek out opportunities, often multilingual, and can often better navigate challenges and obstacles than the average entrepreneur.

Of course refugees are a good bet as entrepreneurs. When you've had the building next to you collapse, you don't really care about your first investor rejecting your investment pitch—you keep going.⁸

—Noubar Afeyan, Co-Founder, Aurora Prize

Adenah Bayoh is an extreme entrepreneur. When she was nine years old, she had to flee her village in Liberia during a rebel raid. She lived in a refugee camp in Sierra Leone until she was resettled in Newark, NJ at age 13. Adenah worked at McDonald's to support herself through college and earned a degree in business management to start a career in banking. Shortly after, she began experimenting in real estate rentals but wanted to become a restaurateur like her grandmother. When she applied for a loan to become an IHOP franchisee, Adenah was turned down seven times by seven different banks—but she kept going. At the age of 27, Adenah became the youngest African-American IHOP franchisee and made her franchise the fastest-growing and largest grossing IHOP in the region. Since then, Adenah has purchased two more IHOPs, launched a new restaurant chain of her own, and built a real estate development business worth over \$250M in urban redevelopment projects and homes. She's now the second largest employer in her hometown of Irvington, NJ, which has a population of over 54,000 people.

Adenah isn't a “unicorn.” The struggle for refugees (who are often people of color) to access capital and venture support is substantial, but so is their ability to overcome it. While we do not currently have data on all of the Fortune 500 founders to know which immigrants were forcibly displaced and which were not, we do have data that show at least 180,000 refugee entrepreneurs currently live in the U.S., representing 13% of the total U.S. resettled refugee population.⁹ That's a higher percentile of entrepreneurs than any other population group—higher than the 11.5% of non-refugee immigrants who are entrepreneurs and higher than the 9% of U.S.-born entrepreneurs. These entrepreneurs don't just create value at the local level—they're major contributors to their host countries at the national level as well. In a 2015 study, the New American Economy found that 2.3M resettled refugees in the U.S. earned \$77.2B in household income and paid \$20.9B in taxes.¹⁰

Refugees are employable

The International Monetary Fund (IMF) has also found refugees to be a good investment, proving that “investing one euro in welcoming refugees can yield nearly two euros in economic benefits within five years, as long as refugees are permitted to work.”¹¹ That last bit is key: When displaced communities are given access to labor markets, they integrate quickly and invest in their host communities. When people remain displaced for years, or decades, without the right to work or the ability to truly rebuild their lives, they become trapped in limbo and forced into aid dependence. These policies lead to countless bad outcomes from drug addiction to sexual exploitation and militia recruitment, further fueling violence, devastating lives, and leading to conflicts between the host communities and the displaced.¹² David Bier’s 2016 research at the Cato Institute found that after less than a year in the United States, nearly half of Central American adults—many of whom were forcibly displaced

FIGURE 4
Survey: lower refugee turnover rates in 19 of 26 firms

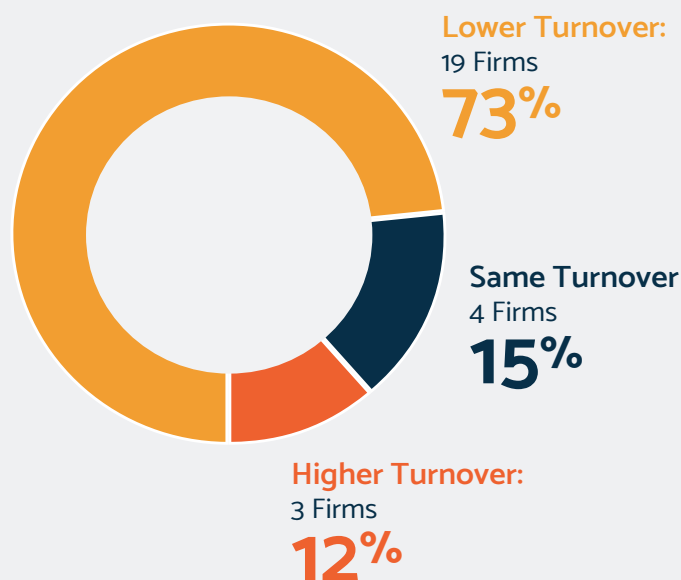
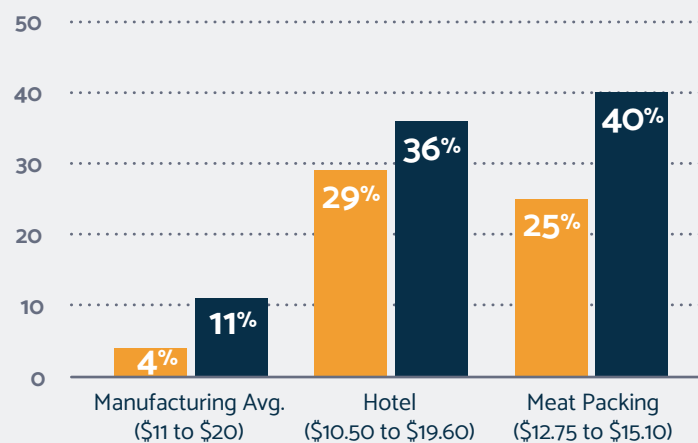


FIGURE 5

Lower refugee turnover vs. non-refugee in select sectors



Source: Data were provided confidentially to FPI by a hotel, a meat packing firm, and four manufacturing firms.

● REFUGEES
● ALL WORKERS

from violent crime and drought in Honduras, El Salvador, and Guatemala—had found employment.¹³ As one might expect, employment rates go up the longer one stays. After five years, employment rates among this population were over 70%, ten points higher than the average employment rate among all U.S. adults. The data emphasize that these people are looking to contribute.

If we consider employment-population ratios as an indicator of work ethic, the hardest working immigrants in the U.S. are, in order of hardest working:¹⁴

TABLE 1

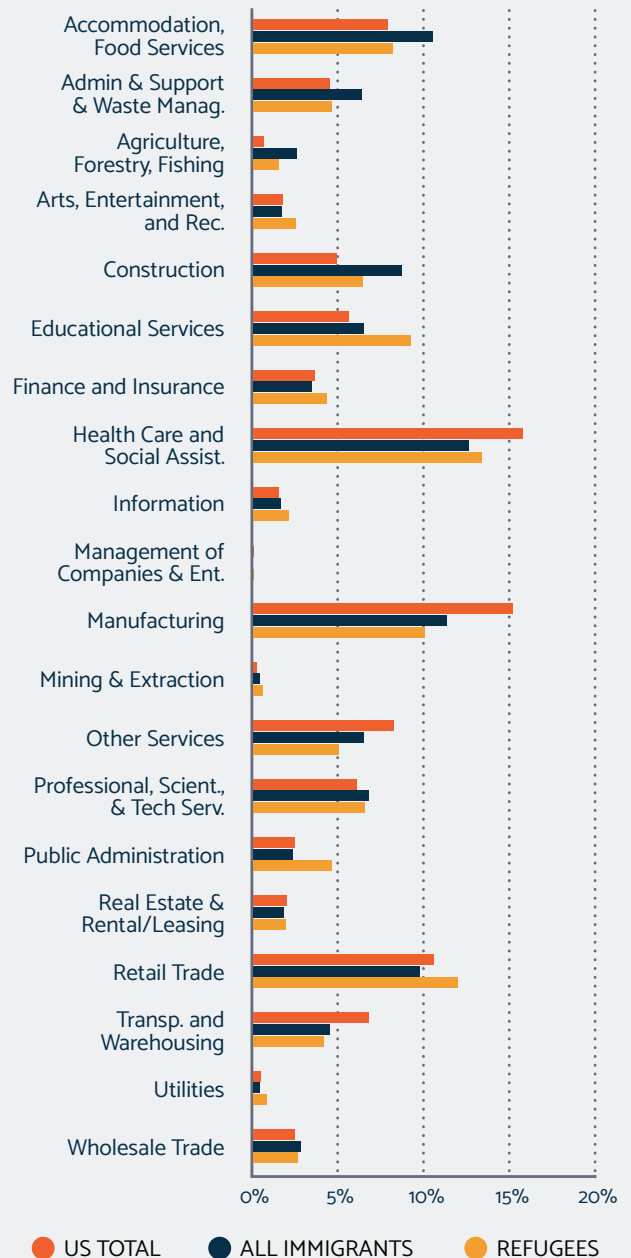
| U.S. Employment-Population Ratios ¹⁵ | |
|---|-------|
| Ghana | 75.2% |
| Bulgaria | 74.2% |
| Kenya | 73.4% |
| Ethiopia | 73.1% |
| Guatemala | 71.7% |
| El Salvador | 71.2% |
| Bosnia & Herzegovina | 71.1% |
| Nigeria | 71.0% |
| Liberia | 70.2% |
| Honduras | 69.4% |
| Benchmark: U.S.- Born Citizens | 58.5% |

Each of these countries is either a refugee-sending or large refugee-receiving country. Businesses that hire from displaced communities tend to realize cost savings and benefit from increased employee retention rates. The Fiscal Policy Institute and the Tent Foundation interviewed companies in manufacturing, healthcare, meatpacking, hospitality, construction, commercial laundry, and staffing; across every sector they found that companies that hire refugees increase their employee retention rates.¹⁶ This trend is good for business, but it's also great for investors. If a company has a lower employee turnover, their costs of operating go down. Lower operating expenditures mean more capital to reinvest in the business or more cash flow to increase dividend payouts.

FIGURE 6

Share of refugees working in industry

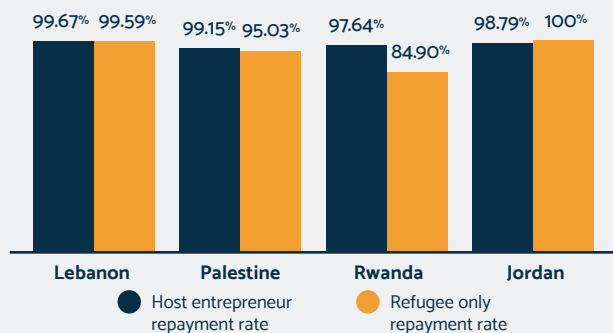
Compared to Share of Immigrants and Share of U.S.-Born



Refugees are credit worthy

Refugees aren't just proving their investability in developed markets. In June 2017, U.S. crowdlending platform Kiva launched the World Refugee Fund, working with their existing microfinance institution (MFI) partners to extend lending services to displaced entrepreneurs in five countries. Over the last year and a half, Kiva has distributed over \$9M in loans to over 8,000 displaced entrepreneurs, including both refugees and internally displaced people. The average repayment rates in the initial four countries were 98.96% among refugee entrepreneurs and 96.83% among host country entrepreneurs.

FIGURE 7
Host entrepreneur vs. refugee repayment rate



While we do not have empirical data as to why refugee repayment rates are higher than host repayment rates, in some countries like Jordan, it may be correlated to the higher retention rates found in companies hiring displaced people—perhaps these workers are simply more appreciative of the opportunity than others who might take a loan or a job for granted. The anomaly in Kiva's data is Rwanda, where refugee repayment rates are significantly lower than host repayment rates. When asked about this disparity, Kiva's team explained that of a total of 116 Rwanda loans, only seven loans were not 100% repaid—but given the disproportionate loan sizes of these seven loans, that gap heavily skews the repayment data.

FIGURE 8
Loan volume deployed in each country (2016 to Q1 of 2018)

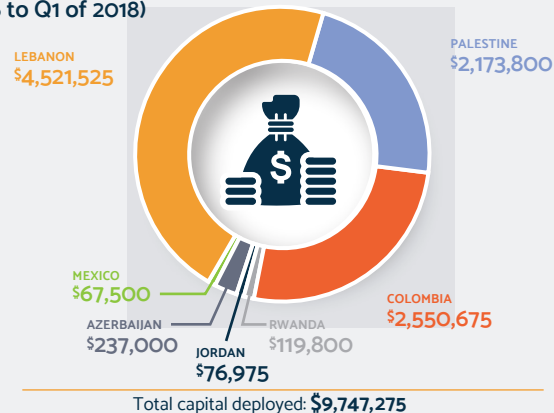


FIGURE 9
Percentage of borrowers by country

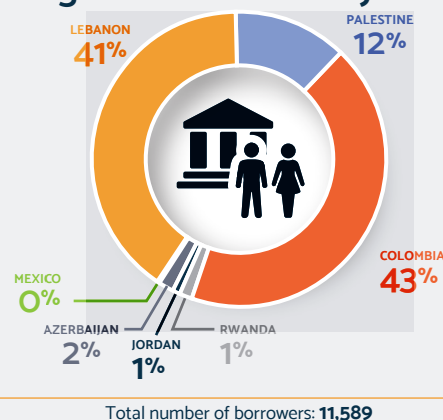
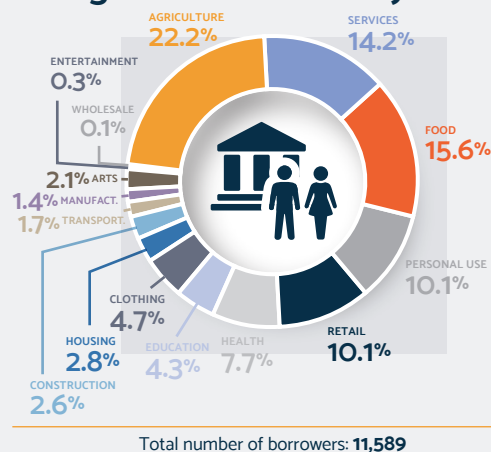


FIGURE 10
Percentage of borrowers by sector



3 Overview of investors

The upside is clear. But is there demand? Are investors interested? Who identifies as a refugee investor? The problem with defining a new investment framework, which pioneers in gender lens investing or even impact investing may have experienced, is that early movers often don't identify themselves as such. They may not even be aware that they're practicing something new because, for some of them, it isn't. Refugee investors like the Small Enterprise Assistance Fund (SEAF), for example, have been investing in displaced entrepreneurs and communities for decades, but it wasn't something they explicitly marketed to investors.

Other refugee investors are actually new to the sector. The New Beginnings Fund, a pre-seed stage, seed stage, and follow on round fund anchored by the RVentures Foundation, is targeting companies that are either refugee-led, with the majority founding members from the refugee community or a product/service that brings an improvement in refugees' lives, or companies that have a positive impact on refugees, primarily in Europe.¹⁷ Also new entrants are entrepreneurs Chase Carroll and Chris Chancey who spent the last four years building Amplio Recruiting, a highly profitable recruiting firm based in Atlanta, Georgia, which has successfully placed over 3,000 resettled refugees into construction, hospitality, and advanced manufacturing jobs. They are so successful that they have turned down investment offers and instead are launching a second venture called Amplio Capital, an early investment firm committing to invest \$100M by 2030, to support refugee entrepreneurs and companies that hire refugees. The motivations behind Amplio Capital's investors so far differ—most are driven by a desire to create a social impact but also want to see a modest return.

Others, like Acumen, may have backed into refugee investing unintentionally—for example, they invested in deals with a meaningful positive impact on displaced people, but the deals had more of a sector focus, rather than a focus on displacement. Acumen's 2011 co-investment in the Gulu Agricultural Development Company (GADC), the only commercial cotton ginnery in the Gulu District of Northern Uganda, was an agriculture deal whose beneficiaries happened to be internally

displaced farmers. Our research found many similar examples, showing that more investors than we expected had executed what we now define as a “refugee investment”—but that it was only through a process of inquiry that we (and the investors), realized they were active in the sector.

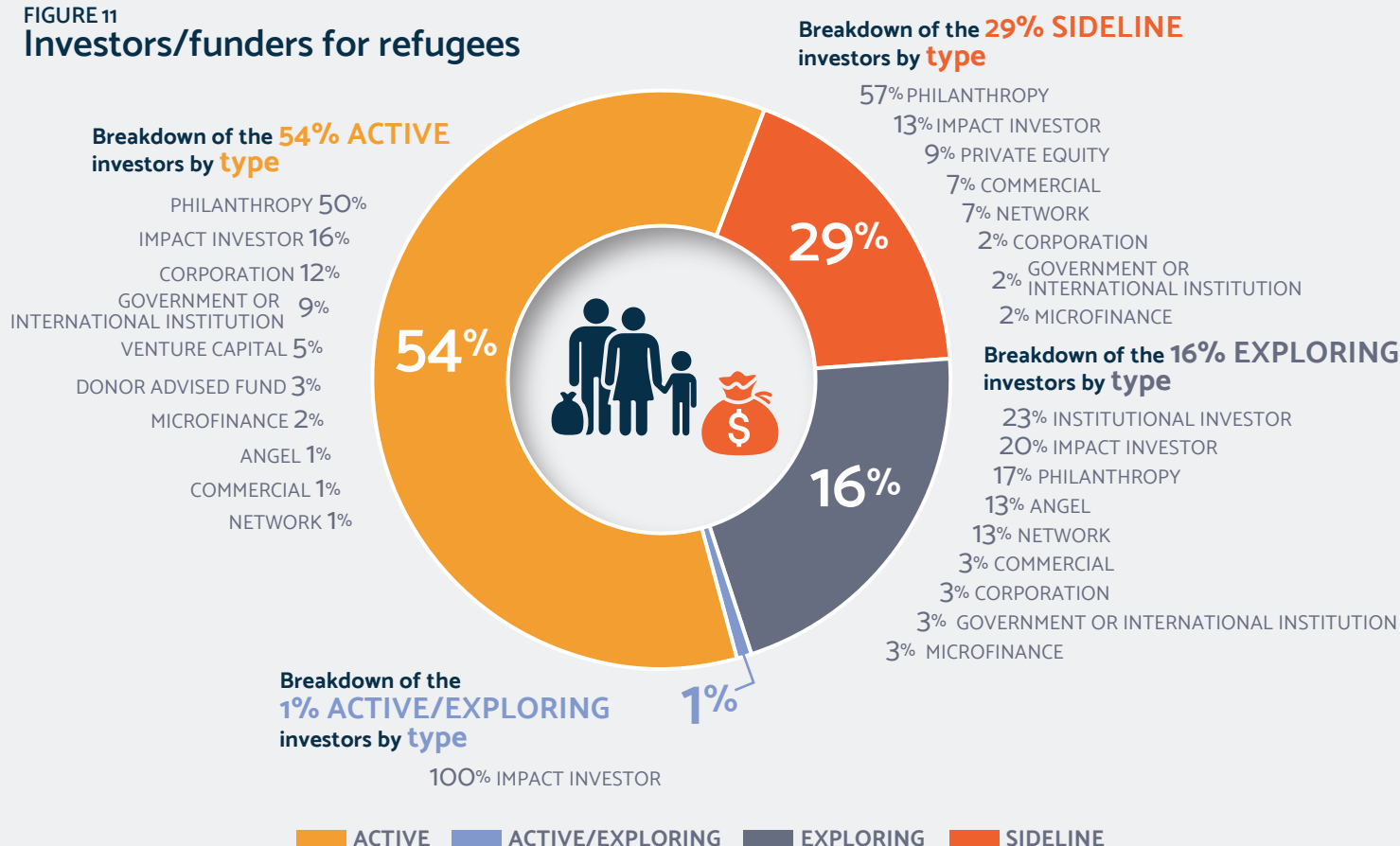
Indeed, this pool of active and interested capital is growing. We interviewed or studied a targeted sampling of 189 different philanthropic funders, impact investors, institutional investors, networks, angels, market-return investors, and government partners to understand if capital was moving from sitting on the sidelines of the refugee crisis, to being active or engaged in deals. This is a small sample pool of the total universe of impact investors but represents at least 80% of the publicly known investors engaged or likely to be engaged in refugee investing.

This isn't a charity case—these are individuals who have tremendous value to add to the world and we want to help create more of that awareness. Though we're not trying to hit the home run of high IRR investments, we do see a lot of entrepreneurial success in refugee communities.¹⁸

—Chris Chancey, Founder & CEO of Amplio Recruiting

FIGURE 11

Investors/funders for refugees



In this assessment we define “active” as having either executed a refugee investment deal under the criteria we set out in our Refugee Lens later in this report, or, in the context of grant-based funders, having executed a grant supporting economic development, livelihoods, or entrepreneurship for displaced communities. Funders writing grants in the form of short-term emergency response did not qualify as active, nor did investors who held shares in Uber, whose current CEO is a former Iranian refugee.

We defined “exploring” as having verbally or in writing made a commitment to conduct due diligence, to learn about refugee deals or the broader refugee and migration investment marketplace, or to bring their organization into this field.

The “sideline” category indicates an investor or funder that has relevant refugee and forced migration interests, but as of October 2018 had (to our knowledge) neither executed a deal or expressed any demonstrable intent to do so. A full listing of firms that are active, exploring, or on the sidelines can be found in the Annex.

4 Why now?

The volume and quality of data supporting an investment thesis for refugees and forced migration, combined with an escalating demand for deals from the investment community, make for a compelling case. But investors should consider this work for another reason as well—it is the right, necessary, and urgent, thing to do.

Just as climate change is the defining *environmental* challenge of our time, forced migration is the defining *social* challenge of our time. Forced migration is a massive problem that intersects with almost every major development goal, limiting human progress in health, gender equality, poverty reduction, and global security and stability. It is a keystone issue that is not going away. Moreover, the mechanisms and actors who would historically respond to refugee crises are either broke (the aid community), broken (the humanitarian response regime), or are burying their heads in the sand (increasingly nationalistic governments). In short, we cannot ostrich ourselves out of this.

It's not just humanitarians who are taking note, either. In JPMorgan Chase's 2018 Q3 earnings press release, Jamie Dimon warned of "increasing economic and geopolitical uncertainties... which at some point in the future may have negative effects on the economy."¹⁹ Similarly, the 2016 World Economic Forum's annual survey of more than 13,000 executives in 140 countries ranked "large-scale involuntary migration" as the number one most likely and serious problem facing the world.²⁰

The United Nations created the 2030 sustainable development agenda with 17 Sustainable Development Goals (SDGs) calling for action from the public and private sectors across every country to reduce extreme poverty, correct inequalities, protect our planet, and ensure prosperity for all. Investors across all asset classes are increasingly adopting the SDGs as a framework while they consider long-term strategies to mitigate against financial risk while also pursuing financial, social, and environmental returns. Given the intersectionality of forced migration with so many of the SDGs—in particular SDG 10: Reduced Inequalities—any portfolio strategy for achieving the SDGs must also invest in solutions to forced migration.

FIGURE 12
UNHCR program funds

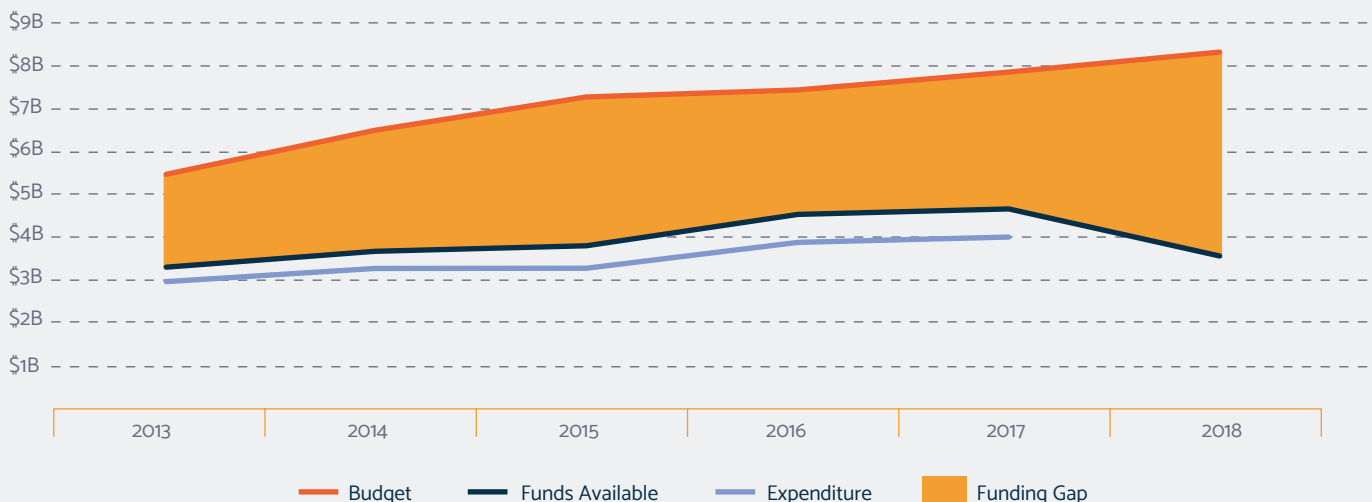


FIGURE 13

Investing in today's (and tomorrow's) forcibly displaced populations is critical to achieving the SDGs.



Increased capital investment can make an enormous difference in creating long-term solutions to global forced migration – while also driving progress on nearly every other global development challenge.

Source: Adapted from The United Nations: "The Sustainable Development Goals and Migrants/Migration Regarding the UN 2030 Sustainable Development Agenda"

But so far, we haven't prioritized investing in solutions to forced migration. Grant-based investment in the SDGs can serve as an indicator of overall impact capital allocation to the SDGs. Working from this assumption, total SDG funding worldwide from January 2016 to October 2018 is \$74B.²¹ The total grant investment for migrants and refugees was \$960M—or a mere 1% of the total grants for SDGs.²² This percentage comparison was also 1% for the period of time between 2003-2015, suggesting that despite the escalating scale of forced migration, the amount of funding proportionate to total SDG funding has remained flat. As the number of people forcibly displaced worldwide continues to climb, and the duration for which they are displaced extends, the gap for financing solutions widens.

Two important lessons emerge from these trends in funding:

1. Traditional development financing is not enough.

While the humanitarian community has shifted towards development solutions to protracted displacement, the philanthropic community continues to underinvest in these areas, focusing more on reactive funding for short-term emergencies. This gap is one of the reasons that calls for private sector participation have increased: traditional financing is grossly insufficient.

2. Philanthropic capital is neither supporting durable solutions nor directly reaching refugees.

Less than 1% of philanthropic capital identified through various searches of the Foundation Directory Online (FDO) of “refugees and displaced peoples” directly targeted refugees, displaced entrepreneurs, or social enterprises. It is disappointing, though perhaps not surprising, to see a statistical mirror of the fact that despite U.S. venture capital investments reaching nearly \$70B, companies led by founders of color received less than 5% of that investment. This simply has to change.

To change the trend, we must dispel the idea that displacement is a temporary, spontaneous situation. Instead, we must take a long-term approach, cut the bureaucratic strings on funding, and diversify the sources and recipients of investment. Doing so requires creating a clear pathway for investment in businesses among displaced communities—one that deploys impact investing capital at the scope and scale demanded by the enormity of the challenge. It's clear that some investors already understand this pathway is necessary. In the year following the World Humanitarian Summit in 2016, over \$1B in private investment capital was pledged—some publicly, some privately—towards durable solutions to the crisis. But only a tiny handful of deals were actually capitalized. Most investors and funders understand the “why” of taking on the global refugee crisis. The benefits are numerous, the costs of not doing so are simply are too great. What remains unanswered is the “how” and the “what.”

5 Barriers to investment in refugees

As we've seen, refugees are investable, employable, and bankable. Moreover, investors are interested in putting capital to work for and with refugees. However, our convenings and interviews with over 100 investors, humanitarians, development finance professionals, entrepreneurs, and displaced people have made clear that concerns persist—both around risk and finding a pipeline of viable investments.

Our research and analysis for this report has started the close examination of investor concerns and the lack of deal flow surrounding investing in refugee-benefitting projects that is necessary to understand both the real and perceived barriers

to entry and to design solutions that mitigate these concerns. While investing in forcibly displaced populations and their host communities poses special challenges and considerations, all new markets have unique hurdles that must be identified, validated, and understood before innovative solutions and de-risking strategies can be applied.²³

Over 80% of refugees live in developing countries, so it's not a coincidence that concerns surrounding "refugee investments" have a lot in common with concerns associated with investing in emerging markets writ large: poor regulatory frameworks, weak ecosystem, and currency instability, among others.

Subjects interviewed as part of this study, however, offered a more nuanced analysis of investor preferences and concerns that we have grouped into four principal categories:²⁴

1. **Sourcing:** Lack of deal flow especially with consistent, large, investable, and scalable projects;
2. **Structuring:** Absence of well-aligned opportunities, patient capital, validated local and capital partners; risk to capital and reputation; and lack of precedent and repeatability;
3. **Capacity building:** At the level of the investor, the aid community, and among potential partners and investees: ignorance of opportunities and lack of information surrounding partners, including an absence of knowledge and trust between parties. On the part of investees, an absence of skills, experience, and know-how. Financial institutions also maintain biases against displaced people and the entrepreneurs who provide products or services to them.²⁵
4. **Policy and regulatory environment:** Lack of rights, as refugees are often denied the right to work, start a business, own property, access banking or credit facilities, and travel freely. Further, few specialized intermediaries exist to build partnerships to attract capital and match-make, and corruption is rampant;²⁶ and finally many of the problems associated with attracting capital into refugee investments are attributable to the fact that the market itself has not, up until this time, been well defined.

Our conversations with members of the humanitarian community provided additional insight into the barriers involved with attracting investment into the refugee and development space.

Investing in ways that are aligned with our values is a natural inclination for many faith-based institutions. Unfortunately, the cause is often not sufficient to overcome the real-world challenges of inclusion in large, complex investment portfolios. New ideas, like refugee investments, touch an important chord for many of us but must also be viewed from the perspective of efficient, effective portfolio management if they are to find a home with large faith-based or mission-driven organizations. It must be clear how the investment risks are to be viewed, where they are to fit in the portfolio's structure, and offered at a scale and with returns comparable to other opportunities.

—Mark A Regier
Vice President of Stewardship Investing
Director of Sales, Praxis Mutual Funds
Everence

One respondent to the study, a UN executive based in Jordan, explained how the organization is currently simply not fit-for-purpose. While UN headquarters in Geneva or New York call on country teams to turn to the task of “financing for development” and engaging the private sector, the UN’s field offices struggle to find employees that even speak or understand the language of investment and the private sector.²⁷

The UN’s human resources, so skilled in the areas of social development and humanitarian assistance, do not match the emerging organizational needs to draw in investors and other members of the private sector. One path forward involves the strengthening of “institutional voids” or the “soft” infrastructure that is so critical in the structuring and execution of business models.²⁸ As our respondents repeatedly pointed out in interviews, in addition to shortcomings in the policy and regulatory environments, there is also a dearth of investment information, market research, and networks to help potential investors identify and structure investments.



Because this is not a well-formed market, it’s hard to know who the entrepreneurs should be approaching for funding or investment.²⁹

-Thane Kreiner, Executive Director of the
Miller Center for Social Entrepreneurship
at Santa Clara University

6 Filling the strategic gap: The Refugee Investment Network

The RIN was created to help address the void of specialized intermediaries and to serve as the soft infrastructure between private sector opportunities to invest in the refugee market, and investors on the sidelines seeking to make an impact. Our initial research and polling of emerging market and humanitarian investment experts working to understand the barriers to market entry is a good example of how the RIN aims to uncover salient points and chart a critical path for increased engagement in refugee investments.

This idea might seem obvious, but the reality is that, to date, there has been no effort to create such a system. We see frequent reports from aid agencies, NGOs, and corporate CSR bodies that detail stories of private sector engagement in the displacement challenge. But these stories are isolated, lack a common narrative and objective, and are not designed with investors in mind. Right now, we have a thousand disconnected stories, but what we need is a coherent plot written by multiple stakeholders working together. A coordinated marketplace facilitation strategy can produce concrete results, but will require a facilitating body to serve as the backbone for the collaboration.

We're taking the first steps in building the soft infrastructure or "connective tissue" to support the development of an investment ecosystem by helping to source, structure, and capitalize investment opportunities that benefit both displaced people and the communities that host them, while supporting entrepreneurs in displaced communities to develop that pipeline.

Today, markets are underdeveloped, policy environments often impede investment, and "business clusters"—the agglomerations of interconnected businesses that together create more entrepreneurial and competitive business environments—are poorly understood.³⁰ The RIN is a growing coalition of investors, funders, development finance institutions, and humanitarian

organizations seeking to understand these complexities and to chart a path for investment. Where is there value in these markets and how can investors unlock it? Where and how can displaced populations be incorporated into these markets? We ask these questions in recognition that while investing in and with refugees is an emerging field, the pipeline of opportunities is expanding, diversifying, and growing the roots of definition. In this report, we are presenting not the "entire universe" of refugee investment opportunities, but rather the first sketch of an emerging, urgent, and promising new field—along with signposts for the road ahead.



FIGURE 14

A timeline of the investment market for forcibly displaced populations

July 2015

3rd Conference on Financing for Development in Addis Ababa calls for increased private sector engagement in development

February 2016

Jordan Compact signed giving Jordan government access to large grants and EU market access while issuing the first work permits for Syrian refugees



May 2016

World Humanitarian Summit in Istanbul: Governments, NGOs, and IFIs agree the current system for humanitarian response is broken and call for support from the private sector

September 2016

New York Declaration for Refugees signed by member states of the UN

September 2016

George Soros commits \$500M to invest in refugees to "inspire other investors to pursue the same mission"

September 2016

Ethiopia begins to register refugees, paving the way for some of the most promising integration and right-to-work policy improvements of any single host country

June 2017

World Refugee Fund launches, citizen lenders fund every refugee micro-loan on Kiva's platform within 24 hours

June 2017

Social Finance U.S. and Jewish Vocational Service launch the **first social impact bond for workforce development** for immigrants and refugees.

June 2017

London Solutions Summit hosted by Alight Fund and BCG's Centre for Public Impact, recommends creation of an "agile facilitating body" to increase private investment and deal flow for displacement solutions

May 2018

Task Force on Global Forced Migration at CSIS publishes recommendations urging shift to proactive approaches to migration solutions

July 2018

Vatican Impact Investing Conference convenes over 150 faith-based investors, asset managers, and institutions to explore investment opportunities for refugees, migrants, and climate change solutions

October 2018

Refugee Investment Network (RIN) announced at **SOCAP18**

REFUGEE INVESTMENT NETWORK



2011

Syrian civil war begins, eventually creating over 11M refugees and IDPs and killing more than 400,000 people.

January 2016

Tent Alliance created: Chobani Founder and CEO Hamdi Ulukaya creates the Tent Alliance mobilizing business in support of refugees

April 2016

GCFF established:

The World Bank, UN, and Islamic Development Bank launch the Global Concessional Financing Facility to provide new loans to Lebanon and Jordan to mitigate impact of the refugee crises

June 2016

President's Call to Action: President Obama formally called on U.S. private sector to make commitments to support refugees

July 2016

Failure and Hope written by Dr. Christine Mahoney, calls for impact investment for refugees & host communities as a way of incentivizing right-to-work policy change



October 2016

Convergence Blended Finance awards grant to Kois Invest to begin design work of first development impact bond for refugee livelihoods in Jordan and Lebanon

September 2017

Refuge: Transforming a Global Refugee System written by Alexander Betts and Paul Collier proposes a humanitarian approach integrated with an economic agenda

September 2017

ICRC launches the first Humanitarian Impact Bond, targeting health outcomes in Nigeria, Mali, and the DRC



February 2018

Investment intermediary concept created by the Global Development Incubator and Alight Fund to facilitate private investment in refugees and forced migrants



September 2018
Financing for Refugees conference at the Hague

September 2018

Refugee Self-Reliance Initiative launched by Refugee Point and the Women's Refugee Commission, aims to improve the self-reliance of 5 million refugees in 5 years

7

The Refugee Lens: A framework for refugee and forced migration investing







Over the last few years, a confluence of evidence supporting a viable investment thesis, a rising tide of societal justice and norms, and an actionable framework have come together to spur a movement in gender lens investing. In a similar spirit and with a similar purpose, the RIN has developed an investor's framework to qualify and track investments over time and to respond to the question: "What is a refugee investment?"

This "Refugee Lens" builds off previous successful efforts to define, qualify, and target investments towards specific causes—in particular, gender. Accordingly, the Refugee Lens considers ownership, leadership, as well as an organization's potential for catalytic change within the broadly defined "refugee community." The Refugee Lens further defines "refugee-supporting" activities—activities that positively affect the lives and well-being of refugees or their hosts through direct products and services, workforce development, or by improving humanitarian capacity.

The Refugee Lens similarly defines refugee-supporting loans and investment funds, setting targets for refugee involvement and impact. And just as the lens defines what refugee investments are, it proposes what they are not: for example, refugee-led enterprises that do not consciously attempt to improve the lives of refugees, or unsustainable corporate responsibility efforts aimed at refugee populations.

TABLE 2

Refugee investment taxonomy




| | |
|-----------------------------------|--|
| Refugee-Owned |  |
| Refugee-Led |  |
| Refugee-Supporting |  |
| Refugee-Supporting, Host-Weighted |  |
| Lending Facilities |  |
| Refugee Funds |  |



A framework for qualifying “refugee investments”

For the purposes of this investor framework, the term “refugee” refers to an inclusive group of people who are externally or internally forcibly displaced, whether through armed or political conflict, ethnic tension, systematic discrimination, climate change or natural disaster, or the displacement of indigenous communities.

An investment must meet the criteria of at least one of the following categories to be included as a Refugee Investment:

| | | |
|---|---|--|
| Refugee-OWNED: Enterprise is at least: |  | A. 51% Refugee-Owned; OR |
| | | B. 20% Refugee-Owned and have at least one refugee listed as a “key person” in operating documents. |
| Refugee-LED: Enterprise has: |  | A. At least one refugee in senior management (e.g., CEO, CFO or COO); OR |
| | | B. A board with at least 33% refugee representation. |
| Refugee-SUPPORTING: |  | A project that provides or has the potential to provide a good or service that supports humanitarian efforts; or, an enterprise or investment that intentionally supports refugees through the development of infrastructure and services that buttress stability in disproportionately large displacement hosting cities/communities by providing infrastructure, jobs (a commitment of at least 20% of workforce), ³¹ skills, products, or services to refugees that demonstrably improve the quality of refugee self-reliance, resiliency, health, education, or inclusion in financial markets. ³² |

Projects can also qualify as...

| | | |
|---------------------------------------|---|---|
| Refugee-SUPPORTING, Host-weighted: |  | If they support host community businesses and the sponsor commits to adopt a policy to source at least 10% of all sub-contracting for the project from refugee-owned businesses. Deals must demonstrate either a minimum current percentage of refugee jobs or a commitment to increase their hiring within a reasonable timeframe to that level. |
| A Refugee LENDING FACILITY: |  | A debt instrument will be considered a Refugee Investment if refugee-owned/-led enterprises, refugee-supporting enterprises, or refugee borrowers will be the recipients of at least 25% of the loan proceeds. |
| Refugee FUNDS: |  | Private, alternative investment vehicles (e.g., private equity, venture capital, or portfolio structures deploying debt and/or equity) with investment strategies such as late-stage venture, growth equity, or expansion financing that have: |
| | | A. A fund manager or general partner that is at least 20% Refugee-Owned or controlled; or |
| | | B. Portfolio companies that are Refugee-Owned, Refugee-Led, or Refugee-Supporting (each term as described above) making up at least 33% of the vehicle’s portfolio. |

ALL Refugee Investments must take refugee protections into account including across the supply chain, identity protection, and other exploitative practices including working conditions. The above thresholds should not be absolute, and should not exclude Refugee Investments that have the potential to create sustainable or catalytic opportunities.

The following does NOT qualify a project as a Refugee Investment:

REFUGEE-LED ENTERPRISE THAT FAILS TO POSITIVELY IMPACT REFUGEES: An enterprise, regardless of refugee ownership or leadership, that is geographically based outside a zone of high-refugee concentration, e.g. OECD country, and, does not have evidence of improving refugee lives through job creation, economic development, social integration, education, health, or self-reliance.

COMMUNITY BENEFITS (CORPORATE SOCIAL RESPONSIBILITY PROGRAMS): All projects should consider and consult with refugees and their hosts when assessing or seeking to enhance community benefits. For example, community benefits that provide intentional, additional economic opportunity for refugees (educational, vocational, time-saving, etc.) are always encouraged. While community benefits/CSR programs are not deemed sustainable over time, and therefore will not be deemed a Refugee Investment, including refugees in community benefit program design is extremely important to ensure overall program effectiveness.

On measurement and evaluation

Measurement of self-reliance is one area of evaluation that will be essential to building an effective field of refugee investing, but it is certainly not the only measurement that should be developed. We must move beyond just tracking quotas, as was practiced in the early days of gender lens investing (and in many cases, continues to be practiced). Unlike other more advanced fields of impact investing with competing terminologies and widely varying measurement practices, Refugee Lens investing has an opportunity for investment, humanitarian, and development professionals to coalesce around a common set of indicators and practices. At best, we might set a new example for the impact investing community. At a minimum, we must ensure the protection and safeguarding of the populations we endeavor to support, and hold ourselves accountable to these commitments. Working together to build on existing models of impact investing while crafting a shared system that is refugee specific should be one of the first public good exercises this community takes on together.

8

The refugee investment ecosystem

Sourcing: A growing and diversifying pipeline of opportunities

While impact investments targeting refugees and forcibly displaced populations already exist, this field is still nascent. Furthermore, most historical “refugee investments” did not have refugee impact as the primary focus, even for impact investors who are explicitly looking for positive social impact in their investments. For example, an agricultural impact investment in a frontier region might inadvertently have a positive impact on a refugee population, even though the impact goal of the investment was not explicitly to improve the livelihoods of that refugee population.

Although the overall refugee investment field is not yet mature, a number of successful deals have yielded both strong financial returns and a positive refugee impact. These deals serve as strong proof points that refugee investment is a high-potential but currently overlooked space.

A database created by Humanitarian Ventures shows that there is exciting potential for refugee investments even within the U.S. venture capital space. Humanitarian Ventures is a venture capital firm whose mission is to direct fast-growing companies to help solve some of the most pressing humanitarian challenges. The firm aims to take an activist investor approach as their investment thesis, using investment to help traditional venture deals become refugee investment opportunities.

To test out their theory, Humanitarian Ventures applied the refugee investment lens on 1,268 companies that received U.S.-based venture capital funding during 2017 and H1 of 2018 and evaluated whether these companies hypothetically could find use cases to apply these products or services to a humanitarian context. Out of these companies, Humanitarian Ventures identified 80 possible humanitarian use cases, 49 of which had clear potential to become refugee investments (see Annex F).

This analysis also showed strong signs that generating positive impact on the forced migrant population could go hand-in-hand with competitive financial returns.

In line with the overall U.S.-based venture capital investment trend during this period, most of the companies that Humanitarian Ventures identified as having refugee-supporting potential are in the internet and mobile/telecommunications sectors, with a combined total of 80% in these two sectors alone. One of Humanitarian Ventures’ first investments is in Dataminr, a data analytics company that develops technology to unlock hidden value in real-time public social media data. As of 2017, Dataminr experienced a 2,318 percent revenue growth in just three years. Humanitarian Ventures co-invested alongside Venrock, IVP, and Fidelity Investments. As a result of Humanitarian Ventures investment in Dataminr, Mercy Corps, an international NGO is now piloting the use of real-time data and social analytics in emergency contexts in Libya and Yemen, a leap forward for most NGOs typically operating with week-old information.

Some deals in particular have the potential to open up the market for new investment models that other investors can build on or replicate. Consider that in 2016, hardly a single MFI would lend to refugees, because MFIs were concerned that refugees were too risky.³³ Lenders were concerned about “flight risk,” or that refugee entrepreneurs might take a loan and then return to their home country without repaying. Some of the MFIs harbored cultural or racial biases, while others were afraid of getting into legal trouble with their central bankers who often have hostile and unproductive anti-work policies towards refugees. Few MFIs were willing to take a risk on refugees, especially at the cost of their own capital and while facing the pressure of having to repay investors.

But that story is different today. In June 2017, Kiva, the Alight fund, USA for UNHCR, the Tent Foundation, the Miller Family Foundation, and the Lancashire Foundation, pooled their resources to create the World Refugee Fund (WRF).

The idea was to use catalytic grants from Kiva's partners, leveraged against small crowdfunded loans on Kiva's platform, to provide 0% interest loans to Kiva's MFI partners to start experimenting with refugee lending. In essence, WRF became a crowd-backed research and development fund geared towards helping the MFIs start learning about refugee lending without the risk and pressures of delivering financial returns to an investor.

When the fund launched, it raised \$500,000 for over 500 refugee entrepreneurs in just 24 hours,³⁴ oversubscribing all refugee loans listed on their platform and proving that there was citizen demand and interest in refugees from Kiva's lenders. As the fund continued to scale, the data it collected helped the MFIs become comfortable lending to a new customer group, which then helped grow the pipeline of refugee entrepreneurs. One year, \$9M in loans, and 8000 entrepreneurs later, Kiva is announcing their first private sub-market investment offering to qualified investors, which will not only scale lending to displaced entrepreneurs, but offer investors a sub-commercial return—a first for Kiva. The success of the fund has also led at least two market and sub-market microfinance funds to begin design processes for their first displacement-focused investment funds. The model has shown that risk-taking grant capital from organizations like the USA for UNHCR, Tent, and private foundations can have a powerful catalytic impact on proving new models and opening up new asset classes for refugee investments.

CASE
STUDY

1

Small Enterprise Assistance Fund's investment in Gomex

With a borrowed truck, no assets, and zero credit, Bosnian refugee Goran Kovacevic beat the odds and took Gomex from a single wholesale grocery store to Serbia's fastest growing grocery store chain.



Founded in 1997 in Northeast Serbia—a region that historically faced high unemployment and little economic investment—Gomex transformed from a once small-time wholesaler to a competitive urban neighborhood supermarket. With **2017 sales exceeding €95M**, Gomex now stands as an impressive example of what can happen when smart and meaningful capital connects with forcibly displaced populations.

In 2007, Small Enterprise Assistance Fund (SEAF) invested €1.2M to help scale Gomex into what it is today. Prior to SEAF's investment, Gomex was only operating **16 stores with 306 employees**.

Fast forward to present day, and Gomex looks a lot different:

- **159 stores** throughout Serbia
- Nearly **2,000 quality jobs**
- Annual revenues of **~€100M**
- An **EBITDA margin of 4.2%**
- Employee base increased by **~6x**
- Sales revenue up by **~8x**
- Tax payments increased by **220x**

Beyond their capital investments, SEAF has also added value by providing Gomex with extensive post-investment business assistance including:

- Recruiting industry experts to train employees across all organizational levels
- Playing a critical role in the selection of Gomex's management team
- Analyzing potential acquisition targets for Gomex
- Negotiating favorable financing terms with banks and suppliers
- Facilitating a partnership with Spar, Migros, and Dekamarkt—some of the leading European grocery chains—and bringing in senior management to advise Gomex on store layouts, cost management, merchandising, and expansion planning

More than just the financial return, SEAF's investment has allowed Gomex to focus on other important matters, such as their community impact. As a refugee himself, Gomex founder Goran Kovacevic has prioritized making the company a socially conscious business. This includes offering training and career growth programs to ensure sustainable employment for young adults, sourcing sustainable food products to drive local economic stability, and engaging in relevant charitable activities. As a result of Goran's commitment to community impact, Gomex has evolved into both a sought-after employer and notable source for regional development.

With the help of more and smarter capital investments from investors like SEAF, investors can empower hard-working immigrants such as Goran, to build long-lasting businesses that drive both financial and social returns.



CASE
STUDY
2

Sampling of active opportunities for private equity, technical assistance, and debt financing

Verde Beef is an IDP-inclusive agribusiness in Ethiopia with the potential to create 250+ direct jobs for IDPs while also preventing thousands more locals from becoming displaced via local job creation. They are raising equity investment to support business expansion at present.

Current growth opportunity: Equity financing



First Syrian Exporters Group is a Turkish garments manufacturer owned by Syrian refugee businesses exporting to European markets. They've raised \$2M in expansion capital from Syrian diaspora investors and are now seeking customer partnerships with European apparel companies to grow their order book. Over 60% of the now 1,250-person employees are Syrian refugees. The company plans to grow its workforce to over 3,000 in the next couple years with similar Syrian/Turkish employment ratios.

Current growth opportunity: Technical assistance—quality assurance, skills building, market linkages, export promotion



Pawame Solar is social enterprise providing off-grid solar home systems to refugees in Kakuma who are already paying for dirty and expensive kerosene/diesel. They also employ refugees as sales agents with a target of 300 refugee households electrified via solar over the next few months and can expand within Kakuma and also within Dadaab if sufficient funding is available.

Current growth opportunity: Debt financing



CASE
STUDY
3

Ascend Venture Fund

Investment size

Target size at final close: €30M

Impact

The Ascend Venture Fund (AVF) will invest in small and medium enterprises (SMEs) in Greece to create quality jobs for refugees, migrants, and vulnerable locals. AVF is Greece's first social impact fund, and one of the first funds ever to be deliberately designed for the purpose of forging stronger intercommunal relations between local populations and more recent arrivals. The fund aspires to impact over 2,000 refugees and other vulnerable populations, and help over 25 investee companies grow.

Investment thesis

The investment thesis behind AVF, initially developed by Radcliffe Foundation, combines a clear impact goal—social integration of vulnerable populations through employment generation and ongoing support—with a targeted financial return of approximately 5% net IRR.

Their investment thesis is motivated by the identification of a market opportunity to invest in high-quality local SMEs with significant growth potential that have also had difficulty accessing financing at competitive rates due to funding constraints in the local market.

With a range of debt and equity instruments, AVF investments will help companies in labor-intensive industries, including agriculture, tourism, construction and manufacturing, grow while meaningfully integrating refugees and other vulnerable populations into their workforce.

Structure

The fund will be based in Cyprus, and managed by CNL, an innovative Greek “alternative investment fund manager” with a successful track record in local SME investing.

AVF is complemented by a non-profit technical assistance vehicle, which will identify, train, and support job candidates, as well as monitor key outcomes during their period of employment with AVF portfolio companies. It will also support portfolio companies to improve workplace standards and create on-the-job programs that help employees from vulnerable populations succeed, reduce intergroup tensions, and promote successful social integration through the workplace. Finally, the AVF technical assistance vehicle will be responsible for putting in place rigorous impact metrics to capture the effect of AVF on participating populations along specific dimensions, including self-reliance and social integration.



Structuring: Tapping into blended finance

For the impact from these investments to match the scale of the refugee crisis, the sector needs to mobilize the full capital spectrum—and will need a diverse coalition of capital and partners to work together. One way of bringing the different investors to the table could be through blended finance, in which catalytic capital from public or philanthropic sources is used to increase private sector investment in refugee impact deals.

Convergence, the leading global network for blended finance, identifies four common blended finance structures:

1. **Concessional capital:** Public or philanthropic investors are concessional within the capital structure
2. **Technical assistance funds:** Transaction is associated with a grant-funded technical assistance facility
3. **Guarantee/risk insurance:** Public or philanthropic investors provide guarantees or insurance priced below market rates
4. **Design-stage grants:** Transaction design or preparation is grant funded

Of these four blended finance structures, concessional capital and technical assistance funds are the most common and, together, represent more than two-thirds of blended finance.³⁵

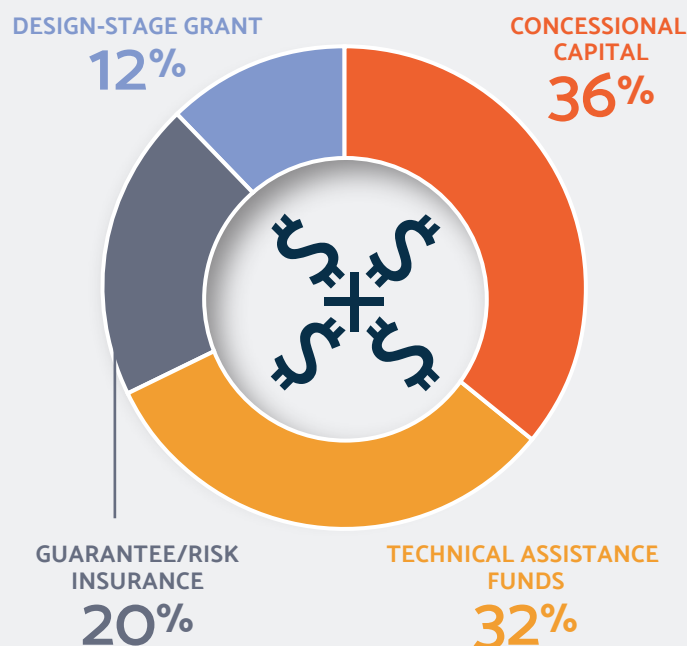
While there is currently very limited activity in the blended finance space targeting refugees, the successful use of blended finance in other areas, such as gender, provide sign posts for how similar structures could be deployed for refugee investment.

“[We] can help safeguard refugee communities, and it is important to me that we go out of our way to do so.”

– Ted Bailey, Founder and CEO of Dataminr

FIGURE 15

Blended finance transactions by archetype



Source: Convergence

CASE
STUDY
4

Women Entrepreneurs Opportunity Facility

Investment size
\$1B

Impact

The Women Entrepreneurs Opportunity Facility (WEOF) is a partnership between the International Finance Corporation (IFC) and the Goldman Sachs 10,000 Women program to create the first-ever loan facility for women-owned SMEs around the world. To date, WEOF announced that it has invested \$1B in 26 financial intermediaries in 26 countries, including some of the world's poorest and conflict-affected states. It has also funded 10 advisory projects in nine countries with total project value of \$4.3M. WEOF has already reached 50,000 women entrepreneurs through the financial institutions it invested in, with a goal of reaching 100,000 over 10 years.³⁶

Structure

WEOF was launched in 2014 with a \$43M investment from the Goldman Sachs Foundation and \$100M from the IFC. This funding was meant to mobilize other investors to reach the initial goal of total investment of \$600M in women entrepreneurs in emerging markets, which WEOF subsequently far exceeded.

WEOF is a good example of how a blended finance approach can incentivize other investors to co-invest in a previously unproven market by demonstrating the commercial viability of the asset class. This proved to be highly successful in the case of WEOF, and RIN is currently in discussion with DFIs on how this model can be recreated for refugee investments.



Innovative financing mechanisms, such as social impact bonds (SIBs), development impact bonds (DIBs) and humanitarian impact bonds (HIBs) are a growing area in the field of global development. Impact bonds qualifying under the Refugee Lens have included the ICRC's 26M CHF HIB to build and run three new physical rehabilitation centres in Africa, and KOIS Invest's active deal to raise \$10-30M, anchored by the Ikea Foundation, for a DIB to support the Near East Foundation's work providing employment integration and entrepreneurship development programs to Syrian refugees and vulnerable local populations in Jordan, Turkey, and Lebanon. We expect to see more of these innovative financing mechanism in the refugee investment space in the future.

A blended capital approach is not only crucial to scale, but also to replicate, with large institutional investors being helpful conduits for testing what works in one context and bringing it to another.

–Artemis Seaford, Executive Director of Ascend Initiative at The Radcliffe Foundation

CASE
STUDY
5Massachusetts Pathways to Economic Advancement Project³⁷

Investment Size

\$15M

Outcome payers

The Commonwealth of Massachusetts serves as payor for the project and will make up to \$15M in success payments.

Impact

Massachusetts Pathways to Economic Advancement Project is a pay-for-success initiative within the U.S. to increase opportunities for immigrants and refugees to progress up the economic ladder.³⁸ The Project will deliver services to approximately 2,000 immigrants and refugees in Greater Boston over three years. Vocational English language classes, integrated with job search assistance and coaching, will assist limited English speakers in making successful transitions to employment, higher wage jobs, and higher education.

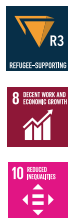
Investors

The project's 40 impact investors include:

- Living Cities, Blended Catalyst Fund
- Prudential Financial, Inc.
- Maycomb Capital, Community Outcomes Fund
- Combined Jewish Philanthropies' Donor Advised Funds
- Barbara Bush Foundation for Family Literacy
- Blue Haven Initiative
- The Boston Foundation
- Boston Impact Initiative
- ImpactAssets
- The Inherent Foundation
- The Kresge Foundation
- The Shapiro Foundation
- Sorenson Impact Foundation

Implementing partner

Jewish Vocational Service (JVS), one of Greater Boston's largest community-based workforce and adult education providers, will offer four distinct program tracks—Rapid Employment, English for Advancement, Skills Training, and Bridges to College—that draw on its expertise integrating adult education and workforce development.

Structure³⁹

9

Capacity building: The rising tide of ecosystem builders

Given that potential refugee investment deals are overwhelmingly located in frontier markets, where business ecosystems tend to be weaker, investments in ecosystem builders should be prioritized to ensure a robust pipeline of investable deals. Ecosystem builders—such as accelerators, incubators, and startup technical assistance providers—are organizations and efforts that work to support the startup and scale-up of businesses, and can help prime these businesses for potential investments. Specifically in the refugee investment context, these ecosystem builders can help facilitate refugee entrepreneurship and integration.

Currently, several notable ecosystem building initiatives are working with refugee entrepreneurs, from female refugee entrepreneurs in Iraq (Five One Labs) and resettled refugees in London (the Entrepreneurial Refugee Network) to Tibetan refugees in India (Jindal Centre for Social Innovation and Entrepreneurship), and competitions like the Hult Prize⁴⁰ and the Laudato Si' Challenge.⁴¹ While relatively early stage, several of these efforts draw on rich prior experience of accelerating non-refugee-focused social enterprises and apply this experience to refugee-owned, refugee-operated, and refugee-supporting enterprises. There are over 200 early stage or new ventures under these categories being incubated in markets all over the world, not counting the hundreds of SMEs.⁴²

CASE STUDY 6

Miller Center's Social Entrepreneurship at the Margins

In May 2018, The Miller Center for Social Entrepreneurship at Santa Clara University launched a new Social Entrepreneurship at the Margins (SEM) accelerator for social enterprises serving migrants, refugees, and human trafficking survivors around the world. The first cohort of 21 was selected out of a total of 120 applicants.

17 of the social enterprises in this first cohort focus specifically on serving the refugee population through several different methods:



■ R1-Refugee-Owned

- 734Coffee, of Richmond, Virginia, founded by Manyang Kher, a former refugee from South Sudan



■ R3-Refugee-Supporting

- Refugee skills training and placement (nine social enterprises—Five One Labs, Makers Unite, More Than One Perspective, Re:coded, Refugee Company, refugees{code}, Scheherazade Initiatives, Talent Beyond Boundaries, WorkAround)
- Refugee-serving (five social enterprises—Leaf Global Fintech, Potential Energy, Zero Trafficking, Courageous kitchen, Needslist)
- Directly employing refugees (one social enterprise—1951 Coffee Company)



■ R5-Lending Facilities

- Direct investment (one social enterprise—African Entrepreneur Collective)

At least 6 of these 17 social enterprises have already raised more than \$500,000 worth of capital and are poised to raise more. Thane Kreiner at the Miller Center noted: “We’ve been surprised by how strong the cohort is, many of them are later stage than what we expected, and are now seeking series A capital.”

Photo: Part of the inaugural SEM cohort, Refugee Company offers job skills trainings and placement in fields including hospitality, textile manufacturing, marketing, and solar panel technology for refugees who have been resettled in The Netherlands.



10 Enabling environment: Investing for policy change

The Jordan Compact

Among the many, and perhaps most daunting, challenges facing refugees are the discriminatory legal environments they encounter through local and national governments in their new lands. As Christine Mahoney explains in Failure and Hope: Fighting for the Rights of the Forcibly Displaced, which argues for impact investing to be used as a mechanism for incentivizing policy change, “Somali refugees in Kenya are not allowed to work, not allowed to leave camp, and as is the case all over the world, refugees are forced into idleness.”⁴³

In 2016, the Jordan Compact was signed in an attempt to correct Jordanian policies restricting Syrian refugees from education and employment. In return for billions of dollars in grants and loans, and preferential trade agreements with the European Union, the Jordanian government agreed to improve access to education and legal employment for thousands of Syrian refugees.⁴⁴ The Jordan Compact illustrates how, in a relatively short period of time, donor governments and global development agencies can leverage political capital along with economic, trade, and political incentives to improve the policy environment for refugees.

The use of incentives to change national policies that are discriminatory and restrict refugees from basic rights like travel, property ownership, or legal employment is widely viewed as a pathway forward in the humanitarian and development communities, with additional compacts currently being designed for Ethiopia, Turkey, and Lebanon—countries with large refugee populations.

Challenges remain in the design and implementation of refugee compacts, but thousands of work permits have been distributed to Syrian refugees and thousands of Syrian children are now in school. Even while imperfect and a work-in-progress, these external incentives have clearly helped improve the lives of the forcibly displaced living in Jordan.⁴⁵

Likewise, the benefits have extended to the government and Jordanians more generally through the extension of grants and concessional loans from compact partners.⁴⁶

The MCC effect

Incentivizing governments to make policy reforms did not begin with the Jordan Compact. The U.S. government international development agency, the Millennium Challenge Corporation (MCC), has a history since its inception in 2004 of leveraging and incentivizing policy change to correct and modernize laws that may hinder economic growth or even discriminate against entire groups of people within society.

One example can be found in MCC’s Compact with Lesotho. Signed in 2007, an MCC grant for over \$350M for a five-year program provided for investments in three primary areas: health, water, and private sector development. Among the many conditions that MCC mandated on the Government of Lesotho was the passage of legislation to allow married women to retain the same legal status as men after marriage and thus be able to legally own property. The corresponding legislation was signed into law in 2006, unlocking MCC funding that targeted training for women and creating a national campaign to inform women of their new rights. As part of the resulting Gender Equality in Economic Rights Activity, 6,200 people received training on gender equality advocacy, and more than 21,000 women were granted joint land titles compared to the 3,200 women who had them at the start of the compact.⁴⁷

Today, the “MCC effect” of incentivizing policy reform and good governance through MCC Compacts is generally accepted in development circles as an efficacious and proven development strategy.⁴⁸

The RIN approach

The RIN's focus on policy reform and advocacy for pro-refugee laws and regulation represents the third leg of the RIN stool—along with research and refugee investment facilitation. In practice, the RIN will attempt to build from and support the approaches animating both the Jordan Compact and the work of the MCC. Indeed, policy reform surrounding the treatment of refugees is critically important when policies have the potential to either undermine or buttress the social and economic progress refugees have made.

The RIN will draw attention to needed policy reforms in countries where it's engaged: In "Compact countries" such as Jordan, or future compact countries like Ethiopia and Lebanon, the RIN will aim to support and strengthen the formation and

implementation of the programs. With a focus on refugee priorities, progress, and investments, the RIN will leverage policy reform at both local and national levels.

As a specialized intermediary of refugee investments, the RIN will work to more directly affect policy change in the impact investing community: Just as the public sector has effectively leveraged policy change through the extension of concessional financing, grants, and trade agreements, so too can concerted and conscious private capital also leverage change. Working in pursuit of its strategic goals of creating 1M jobs and facilitating at least \$1B in refugee investments by 2030, the RIN also hopes to incentivize progressive policy reforms that can unlock markets so private capital and refugees are able to engage in robust economic activity.

11 Moving forward: All capital on deck

Investors of all types want to be a part of the solution to the forced migration problem. As a result, we need to design and create a system that moves the private sector's role from one of "commitments" and scattershot projects to one of large-scale, paradigm-shifting impact. Building the system will be challenging—but vital—and we need to have all capital on deck if we are to create a true paradigm shift. So, where do you start?

Impact investors

1 Apply the Refugee Lens to your existing portfolio. You may find you've already executed a refugee investment. If you have, please share it with us so we can continue to build out cases of deals for the growing field.

2 Invest early. The availability of angel and seed financing to support new venture creation and the early growth of refugee-owned, refugee-operated, and refugee-supporting enterprises is essential to priming the pump for a robust pipeline of investable deals for later stage investors. Numerous studies on impact investing have concluded that there is a significant gap in early stage funding for social impact organizations, and refugee-supporting organizations are no exception. In 2017, the total capital invested in deals under \$2M decreased by 13% to 21% or \$217M, despite total emerging market capital invested reaching unprecedented level of \$48.6B, 43% higher than in 2016.⁵⁰ New investors like Amplio Capital are starting to fill in this gap, but more are needed.

Remember that your best opportunities are in the spaces other people have decided are impossible.

-Anne Halsall, Co-founder and CPO of Winnie

3 Join the Refugee Investment Network. If you haven't already found an investment opportunity, we'll help you find your first deal. Or, if you're already part of an existing network like the GIIN or Toniic, start an investment circle inside of your network and use the Refugee Lens as a discussion starter.

4 Support the ecosystem builders like FiveOneLabs, The Entrepreneurial Refugee Network, the Miller Center and others by providing their incubees with mentorship and access to your networks so we can break down institutional and systemic barriers to capital access and entrepreneurial growth.

Most refugee service providers are completely hamstrung by their grab bag of contracts that slice and dice their services and create a disjointed array of deliverables and indicators. It really militates against a coherent, effective strategy."⁴⁹

-Amy Slaughter, Chief Strategy Officer, Refugee Point & RIN Steering Committee Member

Foundations and corporations

1 Be bold and use your capital to incentivize others.

Grant-based capital can be catalytic by supporting durable solutions to forced migration, unlocking new mechanisms and models, advancing the body of data, investing in field-building itself, and triggering private investment to enter new markets. It will take concessionary capital to allow some investors to test new models and remove uncertainty from the market...others will then follow.

2 Invest in evidence and support the creation of new models and mechanisms, as USA for UNHCR, Tent, and others did with Kiva.

3 Invest in stabilization. Funders should also consider the direct case management and capacity-building with refugees that will ultimately enable them to be “investable.” There’s far too little humanitarian funding for this need and what exists is too piecemeal, sector-specific, and short-term.

4 NGOs need larger investments of less constrained funding in order to pursue innovative, holistic approaches that don’t just provide life support for refugees, but actually get them back on their feet. One example is the technical assistance focus of the Ascend Initiative, the ride-along philanthropy arm of the Ascend Fund, but even in that case it will be essential to emphasize that focus more strongly and allow for addressing a variety of barriers to employment, rather than solely job readiness and matching. If we only focus on low-hanging fruit, we run the risk of perpetuating the problem.

Institutional investors and faith-based investors:

1 You’re the sleeping giants. Provide your investment committee with the Refugee Lens. Ask your portfolio companies or fund managers how their assets are benefiting displaced communities and, if they’re not, ask them to figure it out. We’ll help them. Just by incorporating one or two questions into your diligence process, you’ll move mountains.

2 Don’t wait for your consultants to bring you off-the-shelf products. Empower them to source and support products that can help you align your portfolio with your values. Let us not oppress the sojourners, but invest in them.

The RIN’s commitment

We cannot ask you to embark on this journey if we are not willing to do our part. We commit to continuing to build the field and move refugee investing into the mainstream; to develop a “refugee investing 101” curriculum for investors across asset classes and the returns/impact continuum; to develop a toolbox of easy-to-understand options for working with DFIs and IFIs on de-risking investments in emerging and frontier markets; to work together with the refugee and migration investment community—especially the displaced themselves—to develop a system of shared metrics and impact evaluation practices, possibly developing a RIN rating or seal of approval system for qualifying refugee deals; and to work with the capital community and donors to inform and incentivize pro-refugee policy change.

Endnotes

1. A refugee is someone who has been forced to flee his or her country because of persecution, war or violence. A refugee has a well-founded fear of persecution for reasons of race, religion, nationality, political opinion, or membership in a particular social group. <http://www.unhcr.org/en-us/refugees.html>
2. Goodall, Christine. Moving Together: “Involuntary Movement And The Universal Dynamics Of Moving, Meeting, And Mixing,” New Issues In Refugee Research (2013) <http://www.unhcr.org/521de5c69.pdf>
3. Center for Strategic and International Studies’ Taskforce on Global Forced Migration. “Confronting The Global Forced Migration Crisis.” Rowman and Littlefield, New York (2018)
4. http://www.un.org/en/development/desa/population/migration/events/coordination/15/documents/papers/14_UNHCR_nd.pdf
5. See WEF study: <https://www.weforum.org/agenda/2017/06/eighty-four-percent-of-refugees-live-in-developing-countries/>
6. World Bank, “Cities of Refuge in the Middle East: Bringing an Urban Lens to the Forced Displacement,” September 14, 2017, <https://openknowledge.worldbank.org/bitstream/handle/10986/28901/121515-PN-PUBLIC-FINALCITIES OF REFUGEE URBAN LENS.pdf?sequence=5&isAllowed=y>.
7. <http://startupsusa.org/fortune500/>
8. From a roundtable discussion on impact investing held on October 2nd, 2018
9. <https://www.newamericaneconomy.org/press-release/refugees-in-the-u-s-had-more-than-56-billion-in-spending-power-in-2015-new-study-shows/>
10. Ibid.
11. http://static1.squarespace.com/static/55462dd8e4b0a65de4f3a087/t/573cb9e8ab48de57372771e6/1463597545986/Tent-Open-Refugees+Work_VF1NAL-singlepages.pdf
12. Interview with Dr. Christine Mahoney, July 8, 2018
13. <https://www.cato.org/blog/central-americans-assimilate-very-well>
14. Source: U.S. Census Bureau American Community Survey 2016
15. <https://www.census.gov/acs/www/data/data-tables-and-tools/data-profiles/>
16. https://www.tent.org/wp-content/uploads/2018/05/TENT_FPI-Refugees-as-Employees-Report.pdf
17. <http://www.rventuresfoundation.org/new-beginning-fund.html>
18. Interview with Chris Chancey, Founder & CEO of Amplio Recruiting, September 2018
19. <https://www.jpmorganchase.com/corporate/investor-relations/document/e453a609-15bd-819d-fcfac560994d.pdf>
20. <https://www.weforum.org/reports/the-global-risks-report-2018>
21. www.sdg funders.org/home

22. Figures represent only grants that could be identified as serving specific population groups based on grant descriptions and the missions of recipient organizations. In addition, grants may benefit multiple population groups, e.g., a grant for female human rights defenders, and may therefore be counted more than once.
23. See “Creating New Market Space,” in Harvard Business Review January-February, 1999 for an excellent analog and overview of how successful corporations innovate and approach the complexities of new market creation strategically: <https://hbr.org/1999/01/creating-new-market-space>.
24. Over 100 professionals were interviewed in structured and unstructured settings as part of this study. Subjects for the study ranged from investment professionals from across the capital continuum (e.g. faith-based professionals, pension fund managers, impact investors and refugees) to government, humanitarian, and development professionals and members from across the NGO community. Interviewees similarly ran the gamut geographically, representing more than 20 countries from the global north and south.
25. Interviews with multiple entrepreneurs, three of which are based in the United States and operated by U.S. citizens, shared stories of having their Bank of America accounts frozen, credit cards denied, accounts on Paypal or Quickbooks closed, sometimes without explanation, sometimes due to perceived credit risk due to serving refugee communities or communities in emerging markets.
26. See, “Strategies that fit emerging markets,” in Harvard Business Review, June 2005: <https://hbr.org/2005/06/strategies-that-fit-emerging-markets>
27. Interview with anonymous UN official in Amman, Jordan. August 29, 2018.
28. See, “Strategies that fit emerging markets,” Ibid.
29. Telephone interview with Thane Kreiner and Marie Haller from the Miller Center for Social Entrepreneurship at Santa Clara University.
30. <https://hbr.org/2010/06/the-big-idea-how-to-start-an-entrepreneurial-revolution>
31. NB: jobs are not a guarantee of poverty alleviation. <https://www.nytimes.com/2018/09/11/magazine/americans-jobs-poverty-homeless.html>
32. This may also include ventures or projects that improve the humanitarian community's ability to respond to refugee needs. Sectors that may provide services for refugees include, but are not limited to: infrastructure, manufacturing, agriculture, financial services, healthcare, education, clean water and sanitation and off-grid clean energy
33. Multiple interviews with Lev Plaves, Senior Investment Manager for Refugees and Displaced Populations, Kiva
34. <https://blog.kiva.org/kivablog/2017/06/20/kiva-launches-multi-million-dollar-world-refugee-fund-on-world-refugee-day>
35. <https://www.convergence.finance/blended-finance>
36. <https://www.goldmansachs.com/media-relations/press-releases/current/ifc-gs-investment-18-may-2018.html>
37. <http://socialfinance.org/focus-areas/workforce/massachusetts-pathways-economic-advancement-project/>
38. https://www.viiconference.org/wp-content/uploads/2018/10/Conference-Report_side-by-side.pdf
39. <http://socialfinance.org/focus-areas/workforce/massachusetts-pathways-economic-advancement-project/>
40. www.hultprize.org/past/2017-challenge
41. <https://www.laudatosichallenge.org/>
42. Volume compiled through a combination of accelerators and incubators as well as interviews with investors canvassing the sector.

43. Mahoney, p. 132
44. ODI Policy Briefing: “The Jordan Compact: Lessons learnt and implications for future refugee compact,” February 2018. <https://data2.unhcr.org/en/documents/download/61932>
45. In Jordan, the compact did not effectively integrate refugee perspectives, priorities or needs from the outset. And while exogenous financial support from the compact increased the school enrolment of Syrian children living in Jordan, large numbers still remain out of school. Moreover, the distribution of work permits started slowly and although numbers have increased significantly over the past year, entire sectors of employment remain closed to refugees. Similarly, gains in trade with the EU have been marginal. For a full critique and update on the progress of the Jordan Compact see: International Rescue Committee (IRC): “Still in Search of Work,” April 2018.

<https://www.rescue.org/sites/default/files/document/2686/stillinsearchofworkjordancompactupdatebriefapril2018.pdf>
46. ODI, Ibid. The Jordan Compact called for \$700M in grants annually for three years to Jordan and concessional loans of \$1.9B. Payment of grants and loans is linked to specific targets, including 200,000 work permits for Syrian refugees in specified sectors and commits Jordan to provide education to all Syrian children. The EU, in exchange, also relaxed trade regulations to stimulate exports from 18 designated economic zones and industrial areas in Jordan.
47. Find details of the MCC Lesotho Compact at: <https://www.mcc.gov/where-we-work/program/lesotho-compact>
48. An overview of the MCC Effect can be found: <https://www.mcc.gov/news-and-events/feature/mcc-effect>
49. Interview with Amy Slaughter, Chief Strategy Officer, RefugePoint
50. Research by Aspen Network of Development Entrepreneurs (ANDE) and Emerging Markets Private Equity Association (EMPEA): <http://2017.andeglobal.org/report/investing/>
51. This definition is a blend of Jed Emerson and Lindsay Smalling’s definition of ‘impact investing’ provided in The ImpactAssets Handbook for Investors, (Anthem 2017) and Cheryl Kiser and Deborah Liepziger definition of ‘social value creation,’ in Creating Social Value: a Guide for Leaders and Changemakers (Greenleaf 2014).

Annex

Annex A. RIN Steering Committee members

| Name | Organization |
|--------------------|-------------------------------------|
| Kate Montgomery | Acumen |
| Warren Valdmanis | Bain Double Impact |
| David Young | Boston Consulting Group |
| Matt Zieger | Catholic Charities |
| Rahul Keshap | CFA Institute |
| Joseph Munyambanza | COBURWAS |
| Michael Levett | CSIS/SEAF |
| Suma Swaminathan | Developing World Markets |
| Carolyn Campbell | Emerging Capital Partners |
| Ruma Bose | Humanitarian Ventures |
| Sandra Osborne | ImpactAssets |
| Michelle McMahon | Innovest Advisory |
| Justin Sykes | Innovest Advisory |
| Lev Plaves | Kiva |
| Humaira Faiz | Morgan Stanley |
| Lara Driscoll | OPIC |
| Diana Won | Pershing Square Foundation |
| Jae Kim | Radcliffe Foundation |
| Amy Slaughter | Refuge Point |
| Gideon Maltz | Tent Foundation |
| C.D. Glin | U.S. African Development Foundation |
| Christine Mahoney | University of Virginia |

Annex B. Methodology

For the purposes of this report, the RIN defines “impact investing” as the investment of philanthropic, near-market, and market-rate capital in pursuit of various levels of financial, social, and environmental return simultaneously and not sequentially.⁵¹

This report is informed by RIN interviews primarily with entrepreneurs, impact and institutional investors, refugees and displaced people, humanitarians, as well as representatives from the fields of philanthropy, development, international finance, business, and government between January and September of 2018. Interview subjects from the capital community were concentrated in North America and Europe with less than 20% from other regions. Interviews focused on levels of engagement and/or interest in investing with a Refugee Lens, and on successes and/or challenges. Interviews with entrepreneurs and displaced, humanitarian, and development communities focused on experience with and/or interest in working with private capital, successes, and/or barriers to doing so.

Additional data were collected from desk research, primary and secondary referrals from our Steering Committee, and reports from affiliate organizations. We intentionally did not conduct research on economic migrants and instead focused on forcibly displaced communities. More information on our criteria for qualifying refugee and migration investments will be detailed in future materials.

The pool of 189 private investors, funders, and corporations in our data are highly representative of the status of the field though are not by any means the complete universe of private capital investing in refugee deals. As a previously undefined investment field, investors interested in the subject of refugee investing were challenging to identify. While some data was available through public communications, several investors were identified by their investees, through participation in refugee and migration related convenings and publications, as well as by reviewing deal platforms like Convergence or funder databases like the Foundation Directory Online.

It is our hope that by creating a dedicated Refugee Investment Network, data in this field will be easier to collect, entrepreneurs and deals easier to source, and capital easier to identify.

Annex C. Stakeholders consulted (Note: This list includes both formal and informal interviews.)

| First Name | Last Name | Title | Organization |
|---------------|---------------|---|--|
| Jenny | Ahlzen | Investment Principal | Silicon Badia |
| Rose | Alissi | CEO | The American Chamber of Commerce in Jordan |
| Ross | Baird | Founder & CEO | Village Capital |
| Ahmed | Bardai | Chairman | Reefy Microfinance |
| Joel | Bell | Chairman | Chumir Foundation |
| Georgie | Benardete | CEO | Align 17 |
| Lorenzo | Bernasconi | Senior Associate Director | Rockefeller Foundation |
| Aaron | Blades | Principle | Mannheim LLC |
| Margaret | Blades | Principle | Mannheim LLC |
| David | Bohigian | Executive Vice President | OPIC |
| Ruma | Bose | Co-Founder | Humanitarian Ventures |
| Alice | Bosley | Co-Founder and Executive Director | Five One Labs |
| Fadoua | Boubida | Senior Investment Officer for the Middle East and North Africa (MENA) | Triodos Investment Management |
| Amit | Bouri | Co-founder and CEO | GIIN |
| Gavin | Buchan | Minister Counsellor | Embassy of Canada, Jordan |
| Carolyn | Campbell | Managing Director and Founding Partner | ECP Investments |
| Chris | Canavan | Director, Global Policy Development | Soros Fund Management |
| Erika | Carp | Founder and CEO | Cornerstone Capital Group |
| John | Cataldi | Managing Partner | Native American Venture Fund |
| Chris | Chancey | Founder, CEO | Amplio Recruiting |
| Sasha | Chanoff | Founder & Executive Director | RefugePoint |
| Maya | Chorengal | Senior Partner, Impact | TPG Growth |
| Josh | Cohen | Co-Founder | The ImPact |
| Beth | Collins | Director of Impact Investing | Catholic Relief Services |
| Ryan | Crocker | Former U.S. Ambassador to Afghanistan, Iraq, Pakistan, Syria, Kuwait, and Lebanon | U.S. Foreign Service |
| Tim | Cross | President | YouthBuild International |
| Dr. Juan José | Daboub | Chairman and CEO | Daboub Partnership |
| Francois | de Borchgrave | CEO | Kois Invest |
| Beatrice | Delperdange | Head of Business Development | Kois Invest |
| Kari | Diener | Director of Programs | Mercy Corps Jordan |
| Pat | Dineen | Impact Investing Council Chair, Senior Advisor | EMPEA |
| Ellen | Dorsey | Executive Director | Wallace Global Fund |
| Lara | Driscove | Managing Director, Office of External Affairs | OPIC |
| Stacey | Faella | Executive Director | Woodcock Foundation |
| Karl | Fickenschner | Deputy Assistant Administrator | USAID |

Annex C. Stakeholders consulted (Note: This list includes both formal and informal interviews.)

| First Name | Last Name | Title | Organization |
|---------------|----------------|--|---|
| Carlos | Garcia de Alba | Consulate General | Secretariat of Foreign Affairs, Government of Mexico |
| Kimberly | Gire | Founder | Global Women Leaders |
| Danya | Greenfield | Regional Policy and Advocacy Advisor, Syria Response | Mercy Corps |
| Vartan | Gregorian | President | Carnegie Corporation |
| Jim | Harmon | Board Chairman | Egyptian-American Enterprise Fund |
| Benjamin | Herzberg | Senior Private Sector Development Specialist | World Bank |
| Sean | Hinton | CEO | Soros Economic Development Fund |
| Hans-Joachim | Hogrefe | Director of Policy and Advocacy | Refugees International |
| Michael | Johnston | President | Lubetzky Family Foundation |
| Sean | Jones | Senior Deputy Assistant Administrator | USAID |
| Dr. Shaheen | Kassim-Lakha | Director, International Programs | Conrad Hilton Foundation |
| Manyang | Kher | Founder | 734 Coffee |
| Jae | Kim | Chief Philanthropy Officer | Radcliffe Foundation |
| Dan | Kranzler | Managing Partner | eFund LLC |
| Thane | Kreiner | Executive Director | Miller Center for Social Entrepreneurship |
| Jim | Kuh | Senior Director, Immigration and Refugee Services | Catholic Charities USA |
| Harriett | Kuhr | Executive Director | IRC Charlottesville |
| Joan | Larrea | CEO | Convergence |
| Penelope | Lewis | Head of the Global Foundations Program | World Bank Group |
| Robyn | Lui | Innovation Specialist | UNICEF |
| Ky | Luu | Director of the Initiative for Disaster and Fragility Resilience | George Washington University |
| Dr. Christine | Mahoney | Professor of Public Policy & Author | University of Virginia |
| Rebecca | Marmot | Global Vice President, Sustainability, Advocacy & Partnerships | Unilever |
| Katie | McCloskey | Director, Social Responsibility | United Church Funds |
| Tom | McPartland | CEO | ELMA Philanthropies Services |
| Kate | Montgomery | Associate Director, Strategic Partnerships | Acumen |
| John | Morris | Co-founder and CEO | 17 AM |
| Joseph | Munyambanza | Co-founder | COBURWAS International Youth Organization to Transform Africa |
| Katrina | Ngo | Senior Manager, Network Membership | GIIN |
| Tam | Nguyen | Global Head of Sustainability | Bechtel |
| Stephanie | Nieman | Principal | SJF Ventures |
| Abigail | Noble | CEO | The ImPact |

Annex C. Stakeholders consulted (Note: This list includes both formal and informal interviews.)

| First Name | Last Name | Title | Organization |
|--------------|-------------------|--|--|
| Sayre | Nyce | Executive Director | Talent Beyond Boundaries |
| Sandra | Osborne | Director, Investments | ImpactAssets |
| Tracy | Palandjian | Chief Executive Officer & Co-Founder | Social Finance |
| Alex | Paul | Managing Director of Portfolio Management | Athena Capital Advisors |
| Anders | Peterson | Jordan Country Lead | United Nations |
| John | Petry | Founder | Sessa Capital |
| Shannon | Pfohman | Policy & Advocacy Director | Caritas Europa |
| Bryan | Pini | President and Chief Investment Officer | Mercy Investment Services |
| Lev | Plaves | Senior Investment Manager | Kiva |
| Jennifer | Pryce | President and CEO | Calvert Impact Capital |
| Rabbi Joshua | Ratner | Director of Advocacy | JLens Investor Network |
| Michael | Rauenhorst | Managing Partner | SIMA Funds |
| Michael | Reeber | Individual Investor | Individual Investor |
| Mark | Regier | Vice President of Stewardship Investing, Everence / Director of Sales, Praxis Mutual Funds | Praxis Mutual Funds |
| David | Rockefeller Jr | Board of Directors | Rockefeller Brothers Fund |
| Alexander | Rostami | Senior Partnership & Innovative Finance Specialist | UNHCR |
| David | Rubenstein | Co-Founder and Co-Executive Chairman | The Carlyle Group |
| Francisco | Santos | Ambassador | Embassy of Colombia to the U.S. |
| Ommeed | Sathe | Vice President, Impact Investments | Prudential Financial |
| Debra | Schwartz | Managing Director, Impact Investments | MacArthur Foundation |
| Kim | Scriven | Manager | Humanitarian Innovation Fund |
| Stefano | Severe | Representative in Jordan | UNHCR |
| John | Simon | Founding Partner | Total Impact Capital |
| Amy | Slaughter | Chief Strategy Officer | RefugePoint |
| John | Speakman | Advisor (ret.), Middle East and North Africa | World Bank Group |
| Suma | Swaminathan | Associate | Developing World Markets |
| Jussi | Tapio Lehmusvaara | Operations Officer | IFC |
| Joel | Teeling | President | Blackbird Fund Management |
| Admir | Trnjanin | Associate Vice President, Business Development | BlueOrchard |
| Warren | Valdmanis | Managing Partner | Bain Capital Double Impact |
| Herbert | van der Vaart | CEO | SEAF |
| Henri | van Eeghen | Senior Director | Mercy Corps |
| Jeremy | Wade | Associate Director | Jindal Centre for Social Innovation & Entrepreneurship |

Annex C. Stakeholders consulted (Note: This list includes both formal and informal interviews.)

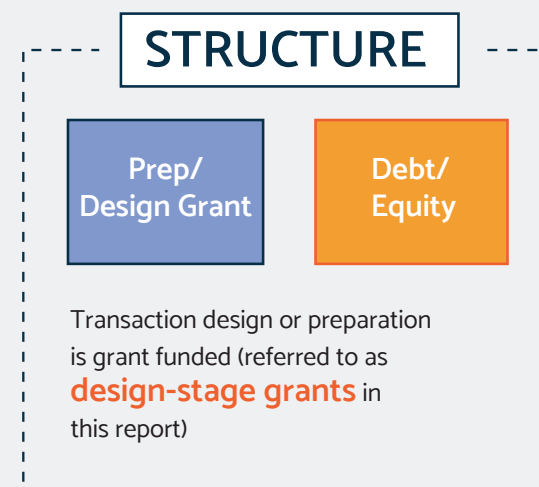
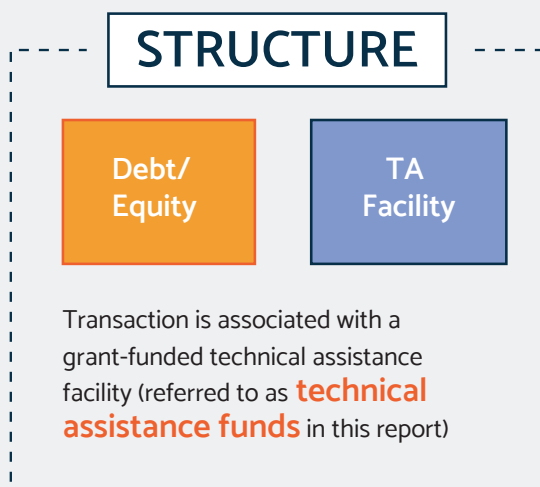
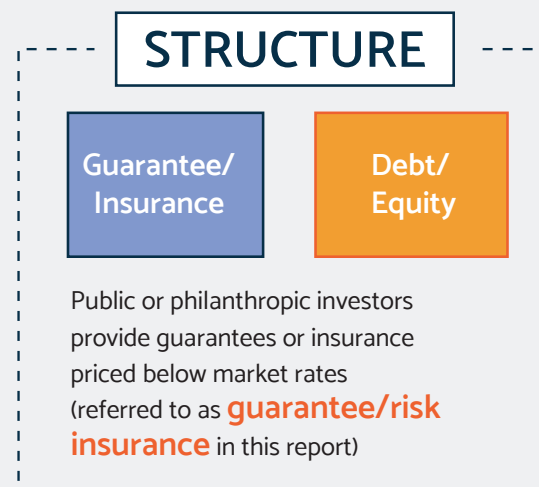
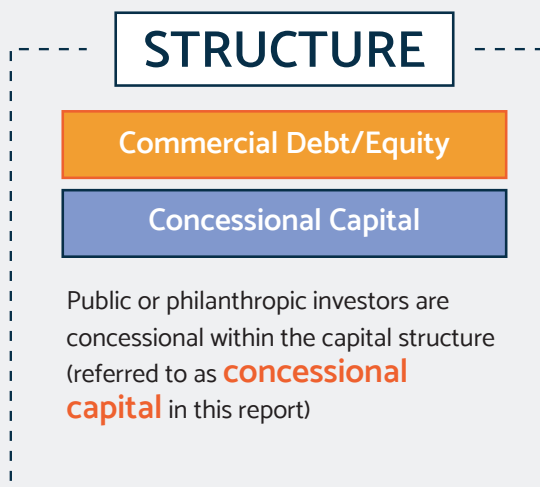
| First Name | Last Name | Title | Organization |
|-------------|---------------|---|---|
| Sr. Jane | Wakahiu | "Director, Catholic Sisters Programs" Conrad Hilton Foundation | World Bank Foundation |
| Darren | Walker | President | Ford Foundation |
| Chris | Walker | Social Innovations Director | Mercy Corps |
| Chris | Walker | Director, Social Innovations | Mercy Corps |
| Waide | Warner | President | Post Road Foundation |
| Kate | Wharton | COO | Refugee Open Ware |
| Fr. Rufus | Whitley | President and Chief Investment Officer | Oblate International Pastoral Investment Trust |
| Alan | Whitworth | Senior Economic Adviser, Public Finance Group | DFID |
| Barnaby | Willitts-King | Senior Research Fellow | Humanitarian Policy Group |
| Jan | Wimaladharma | Private Sector Advisor | DFID, Jordan |
| Diana | Won | Program Manager | Pershing Square Foundation |
| Scott | Wu | Partner and Head of Investments | Omidyar Network |
| David | Young | Senior Partner and Managing Director, Social Impact | BCG |
| Fr. Augusto | Zampini | Director of Development and Faith | Dicastery for Integral Human Development, the Vatican |
| Matt | Zieger | Senior Director of Impact Investing and Social Entrepreneurship | Catholic Charities USA |

Annex D. Top 30 U.S. Metro Areas For Refugee Placement Over The Past Decade (2007-2016)

| METRO AREA | REFUGEE PLACEMENTS (10-YEAR TOTAL) | PER CAPITA REFUGEE PLACEMENTS | REFUGEES PLACEMENTS PER IMMIGRANT POPULATION | METRO AREA POPULATION | METRO AREA IMMIGRANT POPULATION | IMMIGRANT SHARE OF POPULATION |
|--------------------------|------------------------------------|-------------------------------|--|-----------------------|---------------------------------|-------------------------------|
| San Diego, CA | 27,075 | 0.8% | 3% | 3,317,749 | 797,991 | 24% |
| Dallas-Fort Worth, TX | 26,950 | 0.4% | 2% | 7,232,599 | 1,319,883 | 18% |
| Atlanta, GA | 26,322 | 0.5% | 3% | 5,790,210 | 793,489 | 14% |
| Phoenix, AZ | 22,811 | 0.5% | 3% | 4,661,537 | 675,911 | 14% |
| Los Angeles, CA | 22,217 | 0.2% | 0% | 13,310,447 | 4,475,769 | 34% |
| Houston, TX | 19,958 | 0.3% | 1% | 6,772,470 | 1,588,661 | 23% |
| Chicago, IL | 18,538 | 0.2% | 1% | 9,512,968 | 1,675,434 | 18% |
| Detroit, MI | 18,163 | 0.4% | 4% | 4,297,617 | 417,502 | 10% |
| Seattle, WA | 16,882 | 0.4% | 2% | 3,798,902 | 690,230 | 18% |
| Minneapolis-St. Paul, MN | 16,255 | 0.5% | 4% | 3,551,036 | 376,062 | 11% |
| Denver, CO | 13,583 | 0.5% | 4% | 2,853,077 | 346,679 | 12% |
| Miami, FL | 13,420 | 0.2% | 1% | 6,066,387 | 2,458,591 | 41% |
| Buffalo, NY | 12,509 | 1.1% | 18% | 1,132,804 | 69,846 | 6% |
| Indianapolis, IN | 11,549 | 0.6% | 8% | 2,001,737 | 142,774 | 7% |
| Portland, OR | 10,281 | 0.4% | 3% | 2,425,325 | 303,865 | 13 |
| Salt Lake City, UT | 10,250 | 0.9% | 7% | 1,186,187 | 142,752 | 12 |
| Louisville, KY | 10,129 | 0.8% | 16% | 1,283,297 | 64,952 | 5 |
| Columbus, OH | 9,957 | 0.5% | 6% | 2,041,520 | 155,793 | 8 |
| Nashville, TN | 9,871 | 0.5% | 7% | 1,865,535 | 143,341 | 8 |
| Syracuse, NY | 9,532 | 1.5% | 23% | 656,510 | 41,259 | 6 |
| Kansas City, KS | 9,387 | 0.4% | 7% | 2,104,115 | 144,010 | 7 |
| Tucson, AZ | 8,397 | 0.8% | 6% | 1,016,206 | 135,944 | 13 |
| Washington, DC | 8,384 | 0.1% | 1% | 6,133,552 | 1,407,787 | 23 |
| Sacramento, CA | 8,061 | 0.4% | 2% | 2,296,418 | 418,764 | 18 |
| Jacksonville, FL | 7,452 | 0.5% | 6% | 1,478,212 | 125,349 | 8 |
| Milwaukee, WI | 7,338 | 0.5% | 7% | 1,572,482 | 109,340 | 7 |
| Greensboro, NC | 7,125 | 0.9% | 11% | 756,139 | 66,238 | 9 |
| Philadelphia, PA | 6,966 | 0.1% | 1% | 6,070,500 | 676,140 | 11 |
| Boise City, ID | 6,918 | 1.0% | 16% | 690,214 | 42,114 | 6 |
| Omaha, NE | 6,596 | 0.7% | 10% | 924,495 | 67,937 | 7 |

Source: FPI analysis of WRAPS data 2007 to 2016 and 2016 American Community Survey 1-year data. The number of refugees resettled over the past 10 years is less than two percent of the local population in all metro areas of the United States. Top 30 metro areas are presented here; see fiscalspolicy.org/refugee for the full list of 136 metro areas with refugee placements in that period.

Annex E. Blended finance archetypes



Source: Convergence

Annex F. List of U.S. venture capital-backed companies with clear potential to become refugee investments

Source: Humanitarian Ventures

Humanitarian Ventures applied the Refugee Lens on 1,268 companies that received U.S.-based venture capital funding during 2017 and H1 of 2018 and evaluated whether these companies hypothetically could find use cases to apply these products or services to a humanitarian context. Out of these companies, Humanitarian Ventures identified 49 that had clear potential to become refugee investments.

| Company | Company Description | Founders | HV Application Notes | Industry | Country |
|---|--|---|--|---------------------------------|---------------|
| 3D Robotics http://www.3dr.com | 3D Robotics provides fully-autonomous aircraft and open UAV platforms that deliver professional performance at amazingly affordable prices. From agriculture, search and rescue, wildlife management, mapping and video production to environmental science and medical and human rights applications, 3D Robotics has led the way by building systems that lower the barriers-to-entry for many complex data collection applications. | Chris Anderson, Jordi Munoz | Use Case: Software platform for those preventing, managing and responding to forced migration or natural disasters with FAA/UAV. | Machinery & Equipment | United States |
| Andela http://www.andela.com | Andela provides companies with access to global tech talent. The company identifies high-potential developers on the African continent, conduct courses to allow them to grow their skills and pair them with companies as full-time, distributed team members. | Brice Steven Nkengsa, Christina Sass, Ian Carnevale, Iyinoluwa Aboyeji, Jeremy Johnson, Nadayar Enegesi | Use Case: Directly targeting refugee & migrant populations in-country and adjacent regions to the areas in Africa where Andela already operates. (Kenya, Uganda, Nigeria) | Education & Training (business) | United States |
| Astranis Space Technologies http://www.astranis.com | Astranis Space Technologies is building small, low-cost telecommunications satellites. Their mission is to help bring the 4 billion people online who are without internet. | John Gedmark, Ryan McLinko | Use Case: Underserved & displaced populations, organizations in emergency response and remote regions. | Telecom Devices & Equipment | United States |
| Bestow http://www.hellobestow.com | Bestow is a digital insurance company founded to provide a path for millions to access financial security and protection instantly and affordably. | Jonathan Abelman and Melbourne O'Banion | Determine if directly increases/improves access for R&M populations | Internet Software & Services | United States |
| Bowery Farming http://www.boweryfarming.com | Bowery Farming is a farming startup that uses robotics, LED lighting, computer vision, sensors and data analytics to grow leafy greens with no pesticides and very little water indoors. | Brian Falther, David Golden, Irving Fain | Use Case: Strong agrarian backgrounds in R&M populations. | Crop Production | United States |
| Branch International http://www.branch.co | Branch is a new way to access credit over a smartphone in emerging markets. The company's mission is to deliver world-class financial services to the mobile generation. | Daniel Jung, Matt Flannery, Random Bares | Use Case: Access to credit post resettlement | Mobile Software & Services | United States |

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| Careship http://www.careship.de | <p>Careship helps families find a home-based caregiver for their loved ones by using a matchmaking algorithm to find qualified personnel, while advising on insurance benefits and coordinating all the moving parts in these arrangements.</p> | <p>Antonia Albert, Nikolaus Albert</p> | <p>Use Case: Many R&M populations serve as primary care, nannies, etc.</p> | <p>Medical Facilities & Services</p> | <p>Germany</p> |
| Checkr http://www.checkr.com | <p>Checkr's offers a background checking service with a focus on what they call the gig economy, i.e. 1099. Checkr captures criminal records, driving records, employment verifications for those the Bureau of Labor Statistics says are in alternative employment arrangements. Per the company, using Checkr's advanced background check technology, companies of all sizes can better understand the dynamics of the changing workforce, bring transparency and fairness to their hiring, and ultimately build a better future for workers.</p> | <p>Daniel Yanisse, Jonathan Perichon</p> | <p>Use Case: Support employment during resettlement</p> | <p>Internet Software & Services</p> | <p>United States</p> |
| Circle Internet Financial http://www.circle.com | <p>Circle Internet Financial is a global consumer finance company, focused on making money work the same way the internet works -- global, instant, free and fun. Circle Pay is a social payment app that allows users to send and receive payments from other people instantly and without fees.</p> | <p>Jeremy Allaire, Sean Neville</p> | <p>Use Case: Remittances for IDP, Camps, Resettlement, Disaster relief zones.</p> | <p>Mobile Software & Services</p> | <p>United States</p> |
| Coursera http://www.coursera.org | <p>Coursera offers classes from top universities and professors online for free. Coursera's education platform combines mastery-based learning principles with video lectures, interactive content and a global community of peers, offering students from around the world a unique online learning experience. Coursera has partnered with top-tier universities to provide courses across a broad range of disciplines, including medicine, literature, history and computer science, among others.</p> | <p>Andrew Ng, Daphne Koller</p> | <p>Use Case: Education & Skills training, has an existing dedicated program specifically for refugees</p> | <p>Internet Software & Services</p> | <p>United States</p> |
| Cover Technologies http://www.cover.build | <p>Cover Technologies uses software to make well-designed and energy-efficient custom housing affordable and accessible. Cover's software helps people determine what kind of livable shed they're permitted to build on their properties, according to local regulations. It jogs them through a survey of 50 to 100 questions about the land they're building on, and how they plan to use the new living space, then churns out design options.</p> | <p>Alexis Xavier Rivas, Jemuel Joseph</p> | <p>Use Case: Help municipalities with planning and empowering citizens and agencies for urgent, informal housing needs after disasters and during massive influx of migrants.</p> | <p>Construction</p> | <p>United States</p> |
| creativeLIVE http://www.creativelive.com | <p>creativeLIVE is a live online creative classroom offering free education in photography, filmmaking, web design and more. Featuring workshops in photography, video, design, business, audio, music, and software training, creativeLIVE unlocks previously closed doors by making dynamic education accessible to everyone.</p> | <p>Chase Jarvis, Craig Swanson</p> | <p>Use Case: Employment training & upward mobility for creatives in displaced populations.</p> | <p>Internet Software & Services</p> | <p>United States</p> |
| CrowdJustice http://www.crowdjustice.com | <p>CrowdJustice is a crowdfunding platform built for legal cases. It gives users the tools to build the community around their case and gain the financial support that will help accomplish their legal goals. CrowdJustice wants to democratize access to the legal system—to help make the law a powerful tool for everyone, not just a tool for the powerful.</p> | <p>Julia Salasky</p> | <p>Use Case: Supporting the transition and resettlement process for first and second wave migrants.</p> | <p>Internet Software & Services</p> | <p>United States</p> |

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| Earnin http://www.earnin.com | Activehours, dba Earnin, was born from the simple idea that no one should have to wait weeks to get the pay that they've already earned. Earnin is selling a service that lets customers get paid for the hours they work, without charging any interest on the payments that clients receive. Users simply take a picture of their time sheet and specify how much money they would like to get paid from their earnings up to that point in the pay cycle. | Ram Palaniappan | Use Case: Resettlement. Supporting liquidity of hourly workers in service industries, disproportionate amount of which are R&M. | Mobile Software & Services | United States |
| Envoy Global http://www.envoyglobal.com | Envoy Global, fka VisaNow, is an immigration services provider. Envoy combines expert legal representation—for both inbound and outbound immigration—and proprietary technology to enable companies to hire and operate an international workforce. | Robert Meltzer | Use Case: Application for right to work situation | Internet Software & Services | United States |
| Epic! Creations http://www.getepic.com | Epic! Creations opens the doors to a new world of reading for kids 12 and under by providing an unlimited selection of eBooks that can be instantly discovered, read and shared with friends. Personalized for each individual reader, Epic! is the only place to access thousands of high quality, curated children's books without the need to purchase or download them one by one. Beautifully designed for mobile and featuring fun, game-like elements, Epic! provides kids with a personal library they can take anywhere. In a world of unlimited screen time, Epic! is a smart alternative to games and videos. | Suren Markosian, CEO and Co-Founder | Use Case: Youth in R&M populations and post-disaster regions. | Mobile Commerce | United States |
| ExploraMed http://www.exploramed.com | ExploraMed is a venture-backed medical technology incubation company dedicated to the identification, creation and development of new medical device solutions. ExploraMed creates new ideas which match certain key fundamental criteria and add capital, intellectual property, and expertise in the fields of clinical, engineering, legal, strategic marketing, and financing, while focusing on efficient and timely development. | Kevin Donahue, Co-Founder | Use Case: Off grid, low tech, emergency medical devices? | Medical Devices & Equipment | United States |
| Freight Farms http://www.freightfarms.com | Freight Farms creates access to food in areas of the world where the climate cannot support traditional farming methods. The Freight Farms' system brings a high volume of fresh, quality and affordable food within reach of everyone along the food supply chain. By enabling high-yield crop production in any climate, Freight Farms offer an immediate foundation to grow a local food economy and sustainable food system. | Josh Makower | Use Case: Food production in desolate regions, medium term farming solution? Many R&M populations come from farming/agro sectors. | Crop Production | United States |
| Funding Circle http://www.fundingcircle.com | Funding Circle is a global direct lending platform for business loans, where investors lend directly to creditworthy small businesses. Helping the economy to grow, businesses can access fast, flexible, transparent and personalized finance, whilst investors can earn stable, attractive returns. | Alex Tonelli, Andrew Mullinger, James Meekings, Sam Hodges, Samir Desai | Use Case: Loans to resettled business owners | eCommerce | United Kingdom |

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| Grammarly http://www.grammarly.com | <p>Grammarly improves communication among the world's 2+ billion English writers. Its flagship product, the Grammarly Editor, corrects contextual spelling mistakes, checks for more than 250 common grammar errors, and enhances vocabulary usage. More than 3 million registered users worldwide trust Grammarly's products, which are also licensed by more than 100 leading universities and corporations.</p> | <p>Alex Shevchenko, Dmytro Lider, Max Lytvyn</p> | <p>Use Case: Valuable resource for refugees resettling in English speaking countries, particularly to help with the major barrier to employment of language mastery. We imagine a clear use case being resettlement agencies—who could offer this alongside their regular resources for refugees & migrants.</p> | <p>Internet Software & Services</p> | <p>United States</p> |
| Hellobike http://www.hellobike.com | <p>Hellobike is a China-based bike-sharing start-up. The company's bikes are enabled with smart locks and GPS functions, allowing users to locate the nearest available bike.</p> | <p>Han Mei</p> | <p>Use Case: Transportation in massively resettled areas overburdened by migrants?</p> | <p>Mobile Commerce</p> | <p>China</p> |
| Helping http://www.helping.com | <p>Helping is an online platform for household-related services that allows users to book legal cleaners in a very fast and convenient way.</p> | <p>Benedikt Franke, Manar Alkassar, Philip Huffmann, and Yeenteck Hoe</p> | <p>Use Case: Known to be an industry that a high percentage of R&M begin their work, particularly newly resettled populations lacking language mastery</p> | <p>eCommerce</p> | <p>Germany</p> |
| homeis http://www.homeis.com | <p>homeis is a mobile application that provides a culture network for local, foreign-born communities. The vision for the product is to connect immigrants together around critical tasks, including finding local services, learning about their new society, and connecting with peers in a similar situation as themselves.</p> | <p>Hanan Laschover, Ran Harnevo</p> | <p>Use Case: Community building for resettled populations</p> | <p>Mobile Software & Services</p> | <p>Israel</p> |
| Juvo http://www.juvo.com | <p>Juvo was founded with an overarching vision: to establish financial identities for the billions of people worldwide who are creditworthy, yet financially excluded. Juvo transforms subscriber consumption with immediate credit, the first step towards greater mobile financial services. In partnership with mobile network operators, Juvo's Identity Scoring technology uses data science, artificial intelligence and game mechanics to create an identity-based relationship with anonymous prepaid users, opening up access to otherwise unattainable mobile financial services.</p> | <p>Steve Polsky</p> | <p>Use Case: Financial services for marginalized populations</p> | <p>Mobile Software & Services</p> | <p>United States</p> |

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| Kinsa http://www.kinsahealth.com | <p>Kinsa is a mobile-connected thermometer that detects illness and provides patients with the information they need to get better faster, while simultaneously collecting data to create a real-time map of human illness. Kinsa's family of smart thermometers, which include the Smart Ear and Sesame Street thermometers, are sold online and in more than 7,000 North American retail stores, including Target, Babies R Us, buybuyBaby, and CVS.</p> | Inder Singh | Use Case: For informal settlements—customers include health agencies managing displaced populations and the displaced themselves. | Consumer Electronics | United States |
| letgo http://www.letgo.com | <p>letgo is a used goods marketplace that allows users to post an item for sale and create a custom ad, plus browse what's for sale in their area, and chat instantly and privately with other buyers and sellers nearby.</p> | Alec Oxenford, Enrique Linares, Jordi Castello | Use Case: Resettled populations. | Mobile Commerce | Netherlands |
| Limbox http://www.limbox.com | <p>Limbox makes virtual reality and digital treatment tools for therapists.</p> | Ben Lewis | Use Case: Helping victims of environmental/social trauma deal with and manage their trauma from crises | Healthcare Software | United States |
| Lingokids http://www.lingokids.com | <p>Monkimun, dba Lingokids, offers an alternative to traditional teaching methods by implementing interactive, multi-media technologies and embedding lessons into the context of games. Monkimun lessons are designed specifically to teach languages to children between 2 and 6 years of age through the ludic method of mini-games to encourage self-motivation and engagement.</p> | Cristobal Viedma, Marieta Viedma | Use Case: Education to displaced youth populations | Mobile Software & Services | Spain |
| Liulishuo (aka LingoChamp) http://www.liulishuo.com | <p>Liulishuo (AKA LingoChamp) is the world's top "AI + Education" company. The Company has developed the "AI English Teacher" based on deep learning, which provides a personalized and adaptive learning path for every learner. It is proven to triple the learning efficiency (reduce the required learning time to one third) compared to human teachers by CEFR (Common European Framework of Reference for Language) standards, according to a study using the TOEIC Bridge Test from ETS. After years of accumulation, Liulishuo now has the world's largest database of Chinese speaking English. On this basis, the company independently developed the world's first multi-dimensional, multi-granularity auto scoring engine and adaptive learning system to provide users with a complete set of English learning solutions covering listening, speaking, reading, and writing. The Company's flagship mobile app product "Liulishuo" has more than 50 million registered users and over 600K paid users, from 379 cities in China and over 175 countries around the world. Liulishuo boasts the most vibrant online language learning community in China, and is recognized by Apple as "App Store Essentials" and "Best Apps of the Year".</p> | Ben Hu, Lin Hui, and Yi Wang | Use Case: Language is a primary barrier to employment for R&M populations. | Mobile Software & Services | China |

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| MamaClean http://www.mamaclean.it | MamaClean is an on-demand laundry service. | Francesco Malmusi | Use Case: Potential fit for R&M without language mastery | eCommerce | Italy |
| Merlin http://www.merlinjobs.com | Merlin is a mobile blue-collar jobs marketplace. | Borja Moreno de Los Rios, Güimar Vaca Sittic, and William Guillaoud | Use Case: Multiple applications for displaced & resettled populations | Mobile Software & Services | United States |
| Mic Media http://www.mic.com | Mic Network, formerly PolicyMic, operates a democratic online news platform to engage people in debates about issues. On mic, the community decides who gets to speak. The more users respond to articles, share ideas, and accumulate 'mics' from others, the more users are able to do and say. | Christopher Altchek, Jake Horowitz | Use Case: Advocacy & Awareness for R&M and disaster relief. | Internet Software & Services | United States |
| Nova Credit http://www.novacredit.com | Nova Credit provides lenders with international consumer credit data so that they can underwrite immigrants. Nova Credit is a cross-border credit reporting agency focused on ways lenders provide loans to immigrants by enabling them to access and use overseas data through the Nova Credit Passport. | Loek Janssen, Misha Esipov, Nicky Goulimis | Use Case: Working with financial services industry in migration friendly regions and countries to have the data to better provide credit to folks during resettlement. | Internet Software & Services | United States |
| OLIO http://www.olioex.com | OLIO is a free app connecting neighbors with each other and with local shops so surplus food and other items can be shared, not thrown away. | Saasha Celestial-One, Tessa Cook | Use Case: Food for informal settlements, resettled populations | Mobile Software & Services | United Kingdom |
| Omada Health http://www.omadahealth.com | Omada Health is a digital behavioral medicine company that helps people to change the habits that put them most at risk for serious but largely preventable chronic conditions like heart disease and type 2 diabetes. The company brings behavioral counseling to anyone with an Internet connection, using insights about social networking, gaming, and behavioral science to motivate changes in lifestyle and deliver clinically-meaningful results. The company operates on a pay-for-outcomes pricing model that aligns incentives between Omada, customers, and participants. | Adrian James, Andrew DiMichele, Sean Duffy | Use Case: Disproportionate amount of resettled populations face health risks due to nutrition and behavioral issues. | Internet Software & Services | United States |
| One Concern http://www.oneconcern.com | One Concern combines machine learning, hazard modeling and artificial intelligence to protect communities before, during and after a natural disaster strikes like earthquakes, hurricanes, floods and fires, along with chronic stresses such as poverty, food security, and climate change by delivering capability throughout the lifecycle of preparedness, mitigation, response and recovery. The company's suite of platforms enable critical decisions during the first moments of a crisis (such as catastrophic hurricanes, flooding and wildfires) and facilitate long-term resilience. | Ahmad Wani, Nicole Hu, Timothy Frank | Use Case: Natural Disaster preparedness and response | Internet Software & Services | United States |

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|--|---|---|--|------------------------------|---------------|
| Pray.com http://www.pray.com | Pray.com is an interfaith mobile app that helps religious leaders keep in touch with their congregants. | Steven Gatena, Matthew Potter, Michael Lynn, Ryan Beck | Use Case: Working with religious leaders to draw attention, moral arguments and support to environmental and social crisis driven migrations and disaster relief. | Mobile Software & Services | United States |
| Pray.com *Also in 2017 sheet http://www.pray.com | Pray.com is an interfaith mobile app that helps religious leaders keep in touch with their congregants. | See 2017 sheet | Use Case: Working with religious leaders to draw attention, moral arguments and support to environmental and social crisis driven migrations and disaster relief. | Mobile Software & Services | United States |
| Propel http://www.joinpropel.com | Propel is a Brooklyn, NY-based developer of software to help food stamp recipients manage their benefits. Propel provides a free app, called Fresh EBT, which allows EBT cardholders to manage their benefits, plan their shopping trips, save money on groceries, and connect to other essential resources. | Jimmy Chen, Shelly Ni | Use Case: In the US, refugees are immediately eligible for food stamps but may lack the contextual understanding for how to manage. | Mobile Software & Services | United States |
| Raise Labs http://www.raise.me | Raise Labs, dba Raise.me, empowers students to earn “Micro-Scholarships” all throughout high school for their individual achievements, creating a more transparent and motivational process while enabling the students to see the guaranteed minimum amount of aid they’ll receive from an institution long before they apply. | Dave Schuman, George Kirkland, Preston Silverman | Use Case: Resettled populations in US. | Internet Software & Services | United States |
| RentoMojo http://www.rentomojo.com | RentoMojo, founded in 2014, is a fintech consumer leasing platform that lets users access furniture, home appliances, bikes, and more on affordable, convenient, and flexible monthly rentals. | Achal Mittal, Ajay Nain, Gautam Adukia, Geetansh Bamania | Use Case: Lowering capital requirement for basic needs in resettlement | eCommerce | India |
| ShiftGig http://www.shiftgig.com | Shiftgig is an online community for the service and hospitality industries. The company provides better connections for better employment in the service industry. ShiftGig helps job candidates and hiring managers connect with each other and get positions filled. The company saves employers time and money by streamlining the hiring process and delivering high-quality candidates. ShiftGig encourages people to connect with other people to get references, referrals, and show off social influence. | Eddie Lou, Jeff Pieta, Sean Casey | Use Case: Job seekers in displaced & resettled populations. | Internet Software & Services | United States |
| Spotlite http://www.spotlite.me | Spotlite is a music talent incubator. It is a free, direct-to-fan singing app catering to the artist; the platform invites amateur and professional vocal talent to sing their original music, covers, and karaoke songs. Spotlite allows artists to gain exposure, fans, and win money—fans can gift artists for their live-streamed or recorded performances. | Ke Tang, Jason Ma | Use Case: Zero cost way for talented artists inside displaced populations to leverage their skills for upward mobility | Mobile Software & Services | United States |

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| Talkspace http://www.talkspace.com | <p>Talkspace, formerly Talktala, is a global online therapy platform that connects people with licensed therapists anytime, anywhere. Founded in 2012 with a mission to make therapy affordable and accessible for all, Talkspace introduced Unlimited Messaging Therapy to provide on-demand access to a therapist for only \$25 per week. By eliminating the stigma, fear, anxiety and cost associated with traditional therapy, Talkspace is making it easy for millions of people to finally be proactive about their mental health.</p> | <p>Oren Frank, Roni Frank</p> | <p>Use Case: Targeting trauma victims from forced environmental/social migration</p> | <p>Mobile Software & Services</p> | <p>United States</p> |
| TransferWise http://www.transferwise.com | <p>TransferWise is a money transfer service using a peer-to-peer model to get the best rates for consumers and help customers move money from one place to another in a secure, fast and convenient way at a low cost. All TransferWise exchanges operate at the real mid-market exchange rates that traditional, big banks get on the interbank market.</p> | <p>Kristo Kaarmann, Taavet Hinrikus</p> | <p>Use Case: Remittances between displaced populations</p> | <p>Internet Software & Services</p> | <p>United Kingdom</p> |
| UrbanSitter http://www.urbansitter.com | <p>UrbanSitter is a community match service for parents and babysitters who connect online through Facebook and existing networks. The site enables parents to search, book and review trusted sitters. Parents sign up at UrbanSitter.com or via the mobile app for iOS devices and can instantly view sitters known through friends or affiliations—including schools, sports teams and parent groups—and can view each sitter's availability in order to select a sitter for a specific date and time, or plan an outing when they know a favorite sitter is available. Jobs or interviews can be booked in minutes and parents can contribute written reviews, ratings and Facebook Likes to sitter profiles.</p> | <p>Andrea Barrett, Daisy Downs, Lynn Perkins</p> | <p>Use Case: Potential fit for R&M in resettled contexts</p> | <p>Internet Software & Services</p> | <p>United States</p> |
| WeFarm http://www.wefarm.org | <p>WeFarm is a free peer-to-peer service that enables farmers to share information via SMS, without the internet and without having to leave their farm. Farmers can ask questions on farming and receive crowd-sourced answers from other farmers around the world in minutes.</p> | <p>Kenny Ewan</p> | <p>Use Case: R&M high proportion of agrarian background, determine employment opportunities.</p> | <p>Mobile Software & Services</p> | <p>United Kingdom</p> |
| Wonolo http://www.wonolo.com | <p>Wonolo makes on-demand staffing simple. Wonolo removes the friction for companies to find talent for on-demand hourly or daily job needs, while creating freedom through flexibility for job seekers.</p> | <p>AJ Brustein, Yong Kim</p> | <p>Use Case: Employment during resettlement</p> | <p>Mobile Software & Services</p> | <p>United States</p> |
| WorldRemit http://www.worldremit.com | <p>WorldRemit provides a digital money transfer platform currently sending from over 50 countries to 148 destinations. The company specializes in international transfers to mobile money accounts—an emerging market technology where a customer's phone numbers acts like a bank account to hold funds.</p> | <p>Catherine Wines, Ismail Ahmed, Richard Igoe</p> | <p>Use Case: Remittances between displaced populations</p> | <p>Internet Software & Services</p> | <p>United Kingdom</p> |

Annex G. Sample list of refugee investment ventures or deals referenced by this report or as part of this study:

| | |
|---|---|
| 1951 Coffee Company | Native American Venture Fund |
| 734 Coffee | Needslist |
| Adenah Bayoh and Companies | New Mexico Community Capital |
| African Entrepreneur Collective | Orbit Aluminum |
| Ascend Fund | Peace Works |
| Big Elk Energy Systems | Post Road Foundation |
| Courageous Kitchens | Potential Energy |
| Cycles for Life and Karuna Collectiva | Re:Coded |
| Dauus | Refugee Company |
| Destiny Reflection | refugees{code} |
| Developing World Markets Displaced Persons Fund | Regenesys BPO |
| Dignify | Relevee |
| Dreamlopmments | Roanhorse Consulting |
| EduTechnoz | Roshni Rides |
| Empower | Scheherazade Initiatives |
| EPOCH | SEAF Affordable housing solutions |
| Five One Labs | SEAF Clean water franchise |
| FlyWay | SEAF Pulse processing |
| Gomex | SEAF Saffron farming and processing |
| Gulu Agricultural Development Company | SEAF Solar energy |
| High Water Mark, LLC | SEAF Tilapia farming |
| Humanitarian Ventures | Silicon Badia |
| ICRC Impact Bond | Social Finance US Massachussetts PFS Bond |
| Jara | Sparrow Mobile |
| Kem's Fashion | Sundial Brands |
| KIMS | Talent Beyond Boundaries |
| Kiva Whole Sale MENA Fund | Tempo |
| Kiva World Refugee Fund | TerraBlanca Impact Capital |
| KOIS Invest Livelihoods Bond | Tosheka Designs |
| Kwado | Tsampa |
| Lakota Solar Enterprises | u-Gas |
| Leaf Global Fintech | Voxy |
| LendStreet | WorkAround |
| Makers Unite | World Bank Global Concessional Financing Facility |
| Migranet | World Vision Investment Projects |
| More Than One Perspective (MTOP) | YouthBuild International |
| Native American Venture Accelerator Fund | Zero Trafficking |



REFUGEE
INVESTMENT
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