



## Refugee Investment Network

Facilitates investment in favor of refugees

**Refugee Investment Network (RIN)** is the first global collaborative platform for impact investment and mixed financing aimed at providing financial solutions that allow self-sufficiency and improve the lives of forced migrants. RIN promotes scenarios for investment in refugees through the mobilization of capital, and also advocates for transformations in public policy to care for this population, by improving the visibility of entrepreneurial migrants and refugees.

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## GEOGRAPHIC LOCATION:

Colombia, Mexico, Ecuador, Peru, Dominican Republic, Belize, Costa Rica and Chile. It also has a presence in Africa, Asia, Europe, and North America.



YEAR OF FOUNDATION:  
**2018**

## INVESTOR / SILO TYPE:

Foundation / NGO

## NON-FINANCIAL SUPPORT OFFERED:

- Strategic and operational strengthening.
- Impact management and measurement.
- Network Access<sup>1</sup>.



## SECTORS:

Agriculture, consumer products, education, financial services, hospitality, human resources, energy and industry, real estate and infrastructure, telecommunications, transportation, and logistics.



## CONTINUUM OF CAPITAL:

Investing for impact and investing with impact.

## FINAL BENEFICIARIES:

Forcibly displaced migrants, refugees<sup>3</sup>, returnees, internally displaced persons, host communities.

## MAIN PARTNERS:

Global Development Incubator, Inter-American Development Bank, Ikea Foundation, Swiss Development Corporation, Japanese Development Corporation, Santo Domingo Foundation, Open Society Foundation, McGovern Foundation, Landry Family Foundation, UNHCR, Economist Impact, The Rockefeller Foundation, Silver Lining, Acumen, World University Services Canada, Betchel.org, Conrad Hilton Foundation.



## MOTIVATION OR PROBLEM TO SOLVE:

Address the phenomenon of forced migration with a broad perspective, which allows to intentionally mobilize capital towards the financing of businesses, ventures, and companies that favor the economic integration of refugees, forced migrants, and host communities. Also, provide greater visibility to these populations.



FINANCIAL INSTRUMENT: Debt.<sup>2</sup>

## RESOURCES INVESTED OR DONATED:

**USD 3 M** through the Social Impact Fund in investments with a refugees' lens. This fund expects to close with a total of **USD 5 M.**

## IMPACT:

RIN has supported the construction and consolidation activities of an ecosystem that promotes investments in refugees, as well as the configuration of the *investments* pipeline in Mexico, Colombia, Jordan, United Kingdom, Uganda, Kenya and Ethiopia. It has expansion plans to four additional countries in 2023.

## SDGS:



<sup>1</sup> Within the framework of the Resilient 100 initiative: <https://refugeeinvestments.org/resilient100/>

<sup>2</sup> This fund became operational in 2021. It has focused on supporting the economic inclusion of forced migrants and refugees in the United States.

<sup>3</sup> RIN defines refugees as people who have been forced to move internally or externally, whether as a result of political or armed conflict, ethnic tensions, systemic discrimination, climate change or natural disasters, or due to the displacement of indigenous communities. This definition includes those legally recognized as refugees, asylum seekers and internally displaced persons. For more information, consult: Refugee Investment Network (2020). Building inclusive economies. Applications of the Refugee Lens Investing, (p. 6). Available in: [https://rin.wpengine.com/wp-content/uploads/2020/11/RIN\\_BuildingInclusiveEconomies\\_Final.pdf](https://rin.wpengine.com/wp-content/uploads/2020/11/RIN_BuildingInclusiveEconomies_Final.pdf)



## Overview

The world is currently experiencing an unprecedented level of human mobility; more and more people live in a place other than their country of birth.<sup>4</sup> According to the United Nations World Migration Report 2022, there are around 281 million international migrants, which is equivalent to 3.6% of the global population, thus demonstrating the scale of the phenomenon.<sup>5</sup> Of these migrants, it is estimated that about 100 million<sup>6</sup> are in a condition of forced displacement<sup>7</sup> due to various causes such as violence, conflict, poverty, limited access to basic services or sociopolitical instability.<sup>8</sup> Among this growing displaced population, there are more than 26 million refugees, nearly half of whom are under the age of 18.<sup>9</sup> In addition, it is estimated that there are at least 48 million people in a condition of internal displacement.<sup>10</sup>

Attention to this phenomenon constitutes one of the main social, humanitarian and economic challenges in the world. The humanitarian efforts made by each country to address migration and refugee flows are often insufficient to address the systemic challenges faced by these people in the long term. Among these are the lack of decent housing, poverty, unemployment and informality, lack of investment, lack of self-sufficiency and the existence of a restrictive regulatory and social context.<sup>11</sup>



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<sup>4</sup> Micinski, N. R. (2021). New York Declaration for Refugees and Migrants. *UN Global Compacts, September*, 51–64. Available in: <https://doi.org/10.4324/9780429266669-3>

<sup>5</sup> International Organization for Migration (2022). World Migration Report. Available in: <https://worldmigrationreport.iom.int/wmr-2022-interactive>

<sup>6</sup> UNHCR (May 23, 2022). UNHCR: Ukraine and other conflicts drive forced displacement, which for the first time, exceeds 100 million. Viewed at: <https://www.acnur.org/noticias/press/2022/5/6286d6ae4/acnur-ukraine-and-other-conflicts-drive-el-forced-displacement-que.html>

<sup>7</sup> Oxfam International (2022). Migration and refugee crisis. Viewed at: <https://www.oxfam.org/en/what-we-do/issues/refugee-and-migratory-crisis>

<sup>8</sup> UNHCR (2020). Data and Statistics. <https://www.unhcr.org/data.html>

<sup>9</sup> Oxfam International (2022). Migration and refugee crisis.

<sup>10</sup> Ibid.

<sup>11</sup> Refugee Investment Network (2020). Building Inclusive Economies. (p. 4).

Refugee Investment Network, RIN<sup>12</sup>, is the first collaborative platform for impact investment and blended financing<sup>13</sup> dedicated to creating solutions that sustainably address forced migration around the world, with a vision of long-term, systemic change<sup>14</sup>.

As a specialized intermediary, RIN facilitates the movement of resources from commitment to active investment, seeking, structuring and financing projects and companies that benefit refugees, migrants and host communities. RIN aims to bridge the gap between the existing investment potential within the ecosystem of refugee entrepreneurs and companies, the entities that support them and the capital markets, to stimulate economic growth, create jobs, increase socioeconomic stability and help refugees to become self-sufficient. To address this gap, RIN works hand in hand with humanitarian organizations, policymakers, migrants, refugees and host communities, in those countries with a considerable segment of migrants around the world.

In Latin America, the organization has established alliances with public and private actors, especially in Mexico and Colombia. In Mexico, RIN set up an alliance with 17 Asset Management<sup>15</sup> and the Ministry of Foreign Affairs of Mexico to develop the Initiative for Inclusive Investment in Mexico (3IM). This has been designed as a cross-border, cross-sector partnership to attract long-term strategic growth capital for investment, through the inclusion of displaced people in economic development projects<sup>16</sup>. RIN is setting up a similar initiative in Colombia.

RIN has defined four pillars with which to build the investment ecosystem for refugee-led start-ups:

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<sup>12</sup> Refugee Investment Network

<sup>13</sup> Blended finance involves the complementary use of donations, concessional instruments and reimbursable financing with the purpose of attracting more financing directed to social and/or environmental impact. For more information, consult: CAF (2021). What is blended finance? Available in: <https://www.caf.com/media/3382110/drfi-financiamiento-mixto.pdf>

<sup>14</sup> Refugee Investment Network (2018). Paradigm Shift. How investment can unlock the potential of refugees, (p. 2). Available in: [https://refugeeinvestments.org/wp-content/uploads/2019/06/RIN\\_Paradigm\\_Shift.pdf](https://refugeeinvestments.org/wp-content/uploads/2019/06/RIN_Paradigm_Shift.pdf)

<sup>15</sup> <https://www.17assetmanagement.com/>

<sup>16</sup> Refugee Investment Network, (s.f.). Initiative for Inclusive Investment in Mexico (3IM). Available in: <https://refugeeinvestments.org/3im/>

- 1 **Mobilize investment capital** to:
  - a Connect refugee businesses with capital across the spectrum of risk, return and impact<sup>17</sup>.
  - b Engage a variety of investors through research to demonstrate how investors can mobilize their capital to intervene in the economic integration of refugees.
  - c Educate investors and funders on refugee investment through an investment training plan.
- 2 **Build the field and infrastructure for investment** in refugees to:
  - a Develop and support the adoption of a framework in order to offer a Refugee investment lens<sup>18</sup>.
  - b Define standards and metrics to measure the impact of refugees.
  - c Support accelerators and incubators to grow the refugee investment portfolio.
- 3 **Change the narrative** surrounding refugees to showcase refugee entrepreneurs, refugee investments, and refugee contributions to their communities.
- 4 **Advocate for the improvement of supportive policies** for refugees – including the right to work, financial services and the right to housing<sup>19</sup> – using evidence and relying on the economic leverage of an investment network.

In legal terms, RIN was incubated as an organization within the Global Development Incubator (GDI)<sup>20</sup> between 2018 and 2020, the year in which it was registered in the United States as a non-profit social enterprise. GDI has supported RIN to strengthen its administrative capacity. Currently, GDI maintains representation within the RIN board of directors, as well as its participation in some administrative



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<sup>17</sup> Within the types of investors mapped by RIN, there are traditional philanthropists, impact investors, corporations, governments and international cooperation institutions, venture capital, donor-advised funds, microfinancers, trade and networks. Refugee Investment Network (2018). Paradigm Shift. How investment can unlock the potential of refugees, (p. 16). Available in: [https://refugeeinvestments.org/wp-content/uploads/2019/06/RIN\\_Paradigm\\_Shift.pdf](https://refugeeinvestments.org/wp-content/uploads/2019/06/RIN_Paradigm_Shift.pdf)

<sup>18</sup> Refugee Lens. Instrument designed by RIN to channel investment in enterprises that integrate refugees, migrants, host communities and forced displaced persons.

<sup>19</sup> Refugee Investment Network(s.f). Our approach. Available in: <https://refugeeinvestments.org/our-approach/>

<sup>20</sup> The GDI is an incubator of social and development enterprises, which works with the purpose of building and scaling the next generation of social impact solutions. For more information, consult: <https://globaldevincubator.org/>

functions, especially as a fiscal agent. For its financing, RIN receives resources such as donations from different organizations<sup>21</sup>.

In order to increase understanding in diverse contexts in the countries where it intervenes, RIN establishes alliances with consulting firms and organizations to support their entry and consolidate alliances with the main actors. In addition, these alliances are also built with the purpose of having an internal look at the actors in the context for the construction of the pipeline of investments, as well as on the political, economic and social context in which they operate.

RIN has a set of initiatives aimed at serving refugees, forcibly displaced persons, migrants and host communities in a sustainable manner, including the Resilient 100 Initiative and the RIN-CEO Social Impact Fund. The first initiative<sup>22</sup> has taken place through the alliance with Silver Lining Ltd<sup>23</sup>. This initiative aims to provide 100 refugee-led businesses and providers of support to this population with business training based on the science of behaviour change, investment readiness, support and networking.<sup>24</sup> Participants in this initiative are part of the RIN entrepreneur community and receive investment preparation and facilitation support, including webinars, company highlights, and the opportunity to be featured in a publication that makes these entrepreneurs visible to impact investors, development finance institutions and other RIN partners.

The second initiative stems from RIN's association with the Center for Economic Opportunities of the International Rescue Committee to launch a USD 5 M Social Impact Fund, whose execution will focus on assisting forced migrants and refugees in the United States.<sup>25</sup>



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**21** Within the framework of the Refugee Opportunity Index configuration, RIN received initial direct funding from the Office of the United Nations High Commissioner for Refugees.

**22** This has been funded within Silver Lining's Impact 5X Program, an economic justice initiative funded by JP Morgan Chase, GoDaddy and other private funders.

**23** Silver Lining. Institutional website. Available in: <https://smallbizsilverlining.com/>

**24** Refugee Investment Network(s.f.) Resilient 100. Available in: <https://refugeeinvestments.org/resilient100/>

**25** This fund offers an opportunity for investors to secure a return while directly supporting the financial inclusion of refugees in the United States. It will be used as loan capital by the Center and will be distributed directly to borrowers through the Committee's offices. 80% of the fund's borrowers are expected to be refugees, and the remaining 20% will be used to support other Americans, especially host communities. This fund will guarantee investment returns of up to 2% for investors, having raised USD 1.5M in its first round of financing.



## Innovative factors

Within RIN's operation, three innovative elements stand out: i) the refugee investment lens; ii) definition of the Refugee Opportunity Index<sup>26</sup> and, iii) the Inclusive Investment Initiatives.

### Refugee investment lens

RIN has built a tool named *Refugee investment lens*, which allows investors to have criteria to evaluate and qualify both prospective and historical investment agreements, as well as investments for refugees. This type of investment must meet any of the following criteria:

- 1 **Property of refugees:** 51% of company shares are owned by refugees, or 20% is owned by refugees and has at least one refugee listed as a key person in operational documents.
- 2 **Refugee-led:** at least one refugee is in senior management, or the board has at least 33% refugee representation.
- e **Refugee support:** a project that has the potential to provide a good or service that supports humanitarian efforts, or a company that intentionally supports refugees through the development of infrastructure and services that reinforce stability in host communities.

In a second axis, projects may also qualify as a *refugee investment* if they meet any of the following criteria:

- 1 **Refugee support, weighted by host communities:** if they support host community businesses and the sponsor agrees to adopt a policy to source at least 10% of all subcontracting for refugee-owned businesses.
- 2 **Refugee Loan Fund:** a debt instrument will be considered a refugee investment if the refugee owned or operated companies, refugee support companies or refugee borrowers are the focus groups of at least 25% of the loan proceeds.

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<sup>26</sup> Refugee Opportunity Index.

- 3 **Refugee Funds:** alternative and private investment vehicles<sup>27</sup> with investment strategies such as late-stage venture capital, growth capital, or expansion financing that have:
  - a A fund manager or general partner that is at least 20% owned or controlled by refugees, or
  - b Holding companies that are owned by refugees, run by refugees supporting other refugees, and make up at least 33% of the vehicle’s pipeline<sup>28</sup>.

### Refugee Opportunity Index

Construction of the Refugee Opportunity Index (*ROI*) is currently being developed with Economist Impact<sup>29</sup>. It proposes to identify shortcomings within national policies, in an effort to incentivize pro-refugee reforms and support the growth of inclusive economies. This index will allow the comparison of policies impacting refugees across countries from a set of actionable metrics<sup>30</sup>.

Thus, RIN expects to interact with stakeholders in both the public and private sectors to amplify its mission, as well as its participation in initiatives that promote the economic freedom of refugees<sup>31</sup>.

The index consists of 45 categories, taking shape as a public policy analysis tool to map the effect these barriers have on each of the three policy and market segments where they are projected:

- 1 **Refugee admission, integration, and resettlement policies:** assesses refugees’ access to economic opportunities in their dependency against the regulatory framework, evaluating income opportunities.
- 2 **Basic rights and access to services:** analyzes the self-sufficiency of refugees based on their ability to enjoy the same rights and equal access to basic services as citizens in host communities.

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<sup>27</sup> Such as private equity, venture capital or pipeline structures that deploy debt and/or equity.  
<sup>28</sup> Refugee Investment Network (s.f.). The Refugee Lens: A framework to define and qualify refugee investments. Available in: <https://rin.wpengine.com/resources/refugee-lens/>  
<sup>29</sup> For more information consult: <https://www.eiu.com/n/>  
<sup>30</sup> These include demographic information disaggregated by gender, financial inclusion, employability, formality and informality, poverty rates and income and educational level, among other aspects.  
<sup>31</sup> Economic freedom makes reference to the ability of refugees to access jobs, financial services and, in general, to integrate economically in the countries where they reside and become self-sufficient.



- 3 **Conditions of employment:** estimates access to economic opportunities for refugees based on the support and elimination of administrative and regulatory barriers they face to work or have a business.

### Inclusive Investment Initiatives

Inclusive Investment Initiatives (31) is a method developed by RIN to conduct market studies applying a refugee investment *lens* in order to build the *pipeline* of existing and potential investments for each market.

The construction of this *pipeline* starts with a detailed and in-depth assessment and understanding of the ecosystem and markets in which refugees interact. Within the framework, gaps in public care, challenges for economic, social and cultural integration, restrictions to access financial services, among other aspects, are identified.

The *pipeline* allows to have in the same scenario not only to assess the context, but also to map initiatives, companies and undertakings that comply with the criteria arranged within the refugee investment lens. Consequently, the process of building an investment *pipeline* for refugees and the Inclusive Investment Initiatives (31) are ways to mobilize capital more efficiently<sup>32</sup>.

*"On our website we have a map of the world that contains potential investment opportunities for refugees. What we provide is very similar to a pro bono service."* Tim Docking, Managing Director, RIN.



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<sup>32</sup> For example, the Investment Opportunities Platform lists dozens of refugee investment lens opportunities around the world and showcases opportunities for impact investors. It also helps refugee and host community businesses to attract more capital. To consult it see: <https://rin.wpengine.com/opportunities/>



## Lessons

RIN has used impact investment funds' growing presence in emerging markets to engage in two-way communications with said funds and install the *refugee investment lens*. In this way, it has mobilized the financial community regarding attention to the migrants' global crisis.

The consolidation of this scenario transmits, in turn, a message of urgency for the attention to the refugee crisis in the global sphere: it is necessary to provide sustainable solutions by catalyzing investments<sup>33</sup>. Despite the negative perceptions about this population, RIN has accumulated experiences that show that the forcibly displaced are hard-workers, entrepreneurs, and solvent employees.

RIN strives to maintain a broad and open approach in connecting investors with opportunities mapped within the *pipeline*. There is no prioritization regarding the type of capital that should be mobilized; It only intends to ensure there is a clear intention in investing in refugees. Thus, it allows to have an open door for different sectoral investors to participate.

The implementation of the Migrant Opportunity Index has also offered a relevant opportunity for RIN's positioning in this ecosystem. The results obtained by the index allow establishing policy recommendations that contribute to dismantling the barriers faced by refugees and migrants, not only for the countries where the assessment is being conducted, but also for those facing significant migratory or internal displacement crises. In this way, it contributes to improving their quality of life and favoring their economic, social, and cultural integration.

Finally, the refugee investment lens has allowed the integration of impact measurement metrics and practices that capture the way in which value is being generated.<sup>34</sup> The organization considers impact measurement to be highly relevant and for that reason it is developing a set of impact metrics that will become standards for the ecosystem that apply the lens.

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<sup>33</sup> Refugee Investment Network (2020). Building Inclusive Economies. Applications of Refugee Lens Investing, (p. 4). Available in: [https://rin.wpengine.com/wp-content/uploads/2020/11/RIN\\_BuildingInclusiveEconomies\\_Final.pdf](https://rin.wpengine.com/wp-content/uploads/2020/11/RIN_BuildingInclusiveEconomies_Final.pdf)

<sup>34</sup> Ibid.