

WRITTEN CONTRIBUTION TO THE UN CONSULTATIONS ON THE GLOBAL COMPACT ON REFUGEES

Enabling Business Solutions for Refugees: How the Global Compact on Refugees can mobilize more business to support the refugee response
(Submitted by Business Fights Poverty)

We agree that the predicament of refugees is a common concern of humankind and that there is a collective responsibility to ensure that refugees and host countries are not left behind. This is not only a moral obligation but also an economic and social imperative. When people are not able to achieve their full potential because they are uprooted from their homes, their education is interrupted, or they are exploited in work on the margins of society, humanity as a whole suffers the consequences.

The private sector is an essential partner in strengthening refugee economic inclusion and resilience, especially in protracted refugee situations. Large and small enterprises are already actively involved in hiring refugees, developing innovating products and services to meet refugee needs, supporting refugee entrepreneurs or small enterprises, and expanding access to education and training opportunities. However, there are many more untapped opportunities to capitalize on the skills, expertise, investment resources, and productive capacity of the private sector.

The reality is that unlocking the potential of the private sector to support the refugee response is challenging in practice. [Research](#) shows that refugees can make significant contributions to local economies. To realize these benefits, companies must navigate a range of issues including significant financial risks, policy obstacles, complex coordination with multiple actors, risks to human rights, weak supporting infrastructure, and general uncertainty about refugees' situation.

We strongly support the aspirational vision and commitments laid out in the draft Global Compact on Refugees. For these aspirations to translate into better outcomes for refugees with the support of the private sector, we recommend the Global Compact on Refugees and subsequent implementation include the following:

- 1. Innovative financing mechanisms:** Investing in refugee-inclusive business models carry high levels of financial risk that prevent the success of many potentially beneficial solutions. There is a need for financial mechanisms that help de-risk investments by pooling resources from investors with a range of risk-return expectations, including foundations, development finance institutions, donor agencies, and private equity investors. This is essential to help both incubate innovations and accelerate their adoption without placing significant financial burden on host countries or companies. This complements some of the long-term development funding already committed to the refugee response and helps focus the discussion on both how much funding and how to deploy that funding in the most efficient and effective way.

- 2. Refugee market data:** There is a need for better quality and more business-accessible information and data on refugee markets. The most recent study by IFC on the Kakuma Refugee Camp unearthed valuable commercial and financial data that the private sector can use. Academic studies remain valuable but greater action by the private sector depends upon more accessible data on refugee consumption patterns, local business activity, and policy environments.
- 3. Match-making and coordination platform:** Greater responsibility sharing also requires better collaboration and coordination among actors. The complex and sensitive nature of supporting refugees requires engagement with local actors that have the requisite knowledge of the local market, technical expertise, and in some cases, larger, global actors that can help raise awareness and achieve scale. There is a need for a platform for large and small companies, governments, and humanitarian/development actors to identify partners with the knowledge, expertise, reach, and products to deliver durable solutions.
- 4. Clear policy signals to host countries:** We agree that in many cases there is no one-size-fits-all solution and therefore we need to ensure that solutions are tailored to the local context, while still taking onboard lessons from the application of models in different contexts. There is a need for robust analysis and subsequent advocacy with governments on the policy enablers of greater private sector engagement including legal barriers to the right to work and employment, access to banking/financing, formal education, entrepreneurship, among other areas.
- 5. New models of business engagement:** Companies are an important source of formal employment opportunities for refugees. Their role can extend far beyond this though, particularly when it comes to the provision of goods and services that refugees need such as sanitation, housing, consumer goods, and energy. Companies can also help strengthen local infrastructure, such as education, that comes under strain as a result of the influx of refugees. There is a need for more flexibility in the procurement processes and other procedures to allow for more business innovation and business-to-business partnerships, for example, in the areas of renewable energy.
- 6. Protection mechanisms:** The safety and security of refugee populations are paramount. Refugees are particularly vulnerable to economic exploitation and other violations of their rights. There is a need for more coordination and better tools to ensure that refugees have access to safe and healthy work conditions and fair remuneration. This could include clear standards and guidance for global and local businesses, auditing protocols, access to remedy, among others. This is the case for refugees in formal employment, informal work, and small-medium enterprises. Special attention is needed for particularly vulnerable groups including children.

We believe that to achieve the stated aims of refugee self-reliance and easing pressure on host countries it is critical to enable and encourage the private sector to play a positive role in the solution. We are encouraged by the proposal for a Global Refugee Forum and supporting platforms and strongly encourage the private sector to be a key partner in further discussion and implementation roadmaps.



About Business Fights Poverty

[Business Fights Poverty \(BFP\)](#) is a network for collaboration on business and social impact. It has developed an innovative approach to driving collaboration, bringing people together from across its network of 20,000+ professionals and beyond around specific, fast-paced social impact “Challenges”. The approach involves a 3- to 9-month integrated programme of analysis, engagement and co-creation, resulting in high-quality actionable outputs and deeper relationships. Each Challenge is supported by a core group of companies and partners from civil society, academic, UN agencies, and/or government. To see all of the live and past Challenges visit this [site](#). BFP has successfully completed over fifteen [Challenges](#) thus far with more than 15 supporters and many more content partners.

In April 2018, BFP launched the [Business and Refugees Challenge](#) supported by Pearson and run in partnership with Mercy Corps, UNHCR, Innovest Advisory, Business Call to Action, and Thomson Reuters Foundation. The Challenge is focused on identifying how to mobilize more business action to support refugee livelihoods and long-term resilience. In doing so, it aims to strengthen the foundation for effective partnerships to improve refugees’ wellbeing and livelihood opportunities so refugees can thrive, not just survive.

This contribution to the UN consultations is the product of the engagement with more than 50 stakeholders from large companies, small enterprises, NGOs, UN agencies, and government for insights into how to strengthen business support of the refugee response. It also incorporates BFP’s more than a decade of experience working with business to tackle complex development challenges.