

- ● Forced displacement settings as market opportunities for the private sector
- ● **The IFC-UNHCR Joint Initiative**

## I. Making the case for business opportunities in forced displacement settings

The global forced displacement crisis calls for innovative approaches and new players. The number of people forced to flee reached a record high of 122 million by end of June 2024. Most live for decades in low or middle-income host countries, are often unable to work and largely depend on humanitarian aid.

While this outlook might seem bleak, there are vibrant informal economies in camps, settlements, and other locations where refugees, internally displaced people (IDPs), and hosts reside, which indicates that forced displacement settings can be dynamic marketplaces. Refugees are economic actors with consumer power, innovation, and entrepreneurship, and their inclusion in formal markets complements the traditional care and maintenance approach of humanitarian assistance. Moreover, as people forced to flee increasingly live in urban settings, forced displacement communities can more readily become growth communities.

The private sector<sup>1</sup> has a complex array of motives for engaging in forced displacement contexts. Until recently, the attention was mostly focused on philanthropy, corporate social responsibility, and procurement for humanitarian supply chains. The private sector is now starting to see these contexts as new market opportunities, with refugees and hosts offering and paying for products and services.

**People forced to flee are consumers, workers, and business partners. They are economic agents and can be private sector actors.**



**There is a business case for private companies to tap into forced displacement contexts as markets, by supporting the building of local economies that will provide opportunities to refugees and hosts.**



<sup>1</sup> The private sector here is defined as: “a broad set of actors that use private capital to fund legitimate economic activities in different sectors of both the formal and informal economies within and beyond the national borders.” Amanda Bisong and Anna Knoll, “Mapping private sector engagement along the migration cycle,” *ECDPM* (February 2020). <https://ecdpm.org/publications/mapping-private-sector-engagement-migration-cycle/>



## II. What is the IFC-UNHCR Joint Initiative?

To enable more market-based approaches in forced displacement settings, the International Finance Cooperation (IFC) and the UN Refugee Agency (UNHCR) have forged an innovative partnership. The IFC-UNHCR Joint Initiative (JI) was launched in late 2022 and took up its work in January 2023. The sectoral focus of the JI is on financial inclusion, employability, and entrepreneurship.

**The JI aims to expand IFC's portfolio in the forced displacement space.** It seeks to leverage private investments at scale to enhance access to services and opportunities such as employment, income-generating jobs, and revenues to people in forced displacement settings. This will boost self-reliance, one of the four objectives of the 2018 [Global Compact on Refugees](#).

Based in Istanbul and hosted in the IFC office, with a growing team of experts of both organizations, the JI merges IFC's private sector acumen and resources with UNHCR's refugee protection mandate, knowledge, and networks, as well as UNHCR's access to deep field locations and local actors.

The JI takes forward and builds upon work conducted ad hoc by IFC and UNHCR around the globe and in forced displacement contexts between 2017 and 2022.

### Examples of IFC projects\* in forced displacement contexts:

- **Colombia:** The [first microfinance bank](#) launched a pilot program of customized financial products, services, and digital channels to help Venezuelan refugees and migrants integrate into social and economic life. These services had a gender-inclusive approach, ensuring that half of the new savings and credit accounts benefit women.
- **Kenya:** The [Kakuma Kalobeyei Challenge Fund \(KKCF\)](#) is the IFC's first refugee and host community focused program in sub-Saharan Africa. It enables private investment with the goal of unlocking the economic potential of refugees and their hosts in the Kakuma Kalobeyei refugee-hosting area in Kenya's Turkana County.
- **Iraq, Jordan, and Lebanon:** A [seed and early-stage venture capital firm](#) is providing business and financial support to high-impact startups with a specific focus on women, youth, and forcibly displaced persons in the Mashreq region. The program aims to foster job creation, stimulate private investments, and achieve cross-cutting outcomes, including the establishment of a virtual entrepreneurship education and incubation platform.
- **Georgia:** A [microfinance institution](#) launched a program providing business mentoring and microfinance to Ukrainian entrepreneurs.

*\* IFC-UNHCR collaboration results in IFC projects.*



### III. How does the IFC-UNHCR Joint Initiative operate?

The Joint Initiative structures its work in two pillars: **operational support** and **knowledge management**. The JI does not itself implement projects. Rather, it aims to become a hub that will support projects by others – through connections, innovative ideas, and the design of private sector interventions and by facilitating the dissemination of operational knowledge.

Working with IFC and UNHCR teams across both organizations, the JI analyzes challenges and provides guidance to create enabling environments in selected countries and regions. Through its **operational support**, the JI facilitates a process that starts with connections between IFC and UNHCR country teams and may lead to IFC advisories and/or IFC investments:



Through its **knowledge management**, the JI creates a knowledge base of operational lessons and, through publications, manuals, and trainings as well as conferences, promotes knowledge exchange among stakeholders active in this space. The JI convenes a community of practitioners, experts and thought leaders to share their lessons learned and to establish good practices that will help to define standards, policies, and action.

#### Mandate, Budget, and Partners

The JI promotes partnerships with businesses, bilateral and multi-lateral organizations as well as foundations, civil society and academia to build a community of experts which advance private sector solutions in forced displacement settings.

The JI is grateful for the support of Denmark , the Netherlands , and the USA .

## Questions?

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Private Sector Solutions  
in Forced Displacement

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