Attracting Foreign Investment in Refugee-Owned Businesses

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Overview

1. Opportunities to attract foreign investment in refugee-owned and refugee-employing businesses

2. Benefits of attracting this investment

3. Ideas for how local and national governments can attract it
   • Based on research from the Center for Global Development
Opportunities

- There is a growing interest in investing in refugee-owned businesses
  - $500 million through Soros’ Economic Development Fund
  - Tent Partnership for Refugees
  - $100 million through Alight Fund
  - SIBA
  - Development Finance Institutions like the IFC
Benefits

• Impact investors will want to invest in both refugees’ and citizens’ businesses

• They will also want to invest in refugee-employing businesses

• More productive refugee-owned businesses bring economic benefits
  • More hiring, spending, investing, taxes, trade
  • E.g., First Syrian Exporters Group
  • Without displacement of citizen-owned businesses
Ideas for attracting investment

• Barriers to investment:
  
  • Lack of large, high-capacity businesses to invest in
  
  • Lack of in-country networks
  
  • Broader business environment
  
  • Legal and regulatory restrictions for refugees
Ideas for attracting investment (continued)

• Legal and regulatory barriers
  • Lower restrictions where possible
  • Within existing legal frameworks, increase rates of formalization

• Lack of networks
  • Locate businesses, verify potential, and connect with investors
  • Work with Building Markets, the Refugee Investment Network, chambers of commerce, etc.
Ideas for attracting investment (continued)

• Lack of high-capacity investees
  • Facilitate business growth
  • Encourage joint ventures
  • Business trainings, e.g. SEF
  • Language trainings, e.g. Gaziantep
  • Many other possibilities

• Broader business environment
  • Work with IFC or other Development Finance Institutions
  • Help with investment in infrastructure, improving regulations
Ideas for attracting investment (continued)

• Attract the attention of investors
  • Entrepreneurship competitions, e.g. Startup Roadshow
  • Share data with investors
  • Encouraging joint ventures, business trainings, etc.

• There is also a big role to be played by other actors to support governments in these activities
Thank you