

UfM SEMINAR ON REFUGEE ENTREPRENEURSHIP

Addressing economic recovery amidst conflict

11-12 December 2024 // Cairo (Egypt)

OUTCOME DOCUMENT



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Background

The Mediterranean region grapples with unprecedented geopolitical tensions, with conflicts not only affecting human life and political stability, but also economic development. In this context, entrepreneurship is increasingly recognized as a critical tool in both conflict and post-conflict contexts, offering innovative solutions, ensuring essential services, and creating jobs.

To tackle this issue, the UfM Seminar on Refugee Entrepreneurship, organized in collaboration with GIZ, in Cairo, on 11 and 12 December 2024, explored the essential role entrepreneurship can play in economic recovery amidst conflict.

The seminar was attended by over 80 participants on both days, up from the foreseen 40. Stakeholders from across the region commended the first-ever UfM initiative, which provided a platform to connect and exchange on this crucial, yet overlooked issue. The seminar notably produced the following insights and recommendations:

Opening and Keynote Speeches

The Seminar's opening remarks were co-delivered by **Said Charna** (Senior Economic Advisor at the UfM Secretariat) and **Andreas Ruepp** (Head of Private Sector Development at GIZ Egypt).

To set the scene and change the narrative, keynote speeches by **Gilda Borriello**¹ (a Amman-based Refugee Entrepreneurship Researcher at Oxford University and the World Bank) and **Ahmed Sufian**² (a Syrian-German entrepreneur) followed highlighting:

- **A multifaceted group:** As of June 2024, 122.6 million people were forcibly displaced, including 32 million UNHCR refugees. The latter are not a monolithic block, and neither are refugee entrepreneurs; while some run highly innovative businesses akin to Silicon Valley startups, most are micro-entrepreneurs.
- **Individual attributes:** the diverse backgrounds of refugees influence their entrepreneurial success, with some possessing advantages that facilitate smoother integration – including human capital, financial capital, and access to support networks – while others face added difficulties – varying level of traumas and health conditions, language barriers,
- **Environmental factors:** refugee entrepreneurs navigate unique systemic barriers including limited capital access, negative societal attitudes, and restrictive regulatory environments that significantly impact their entrepreneurial journeys.
- **Resilience:** refugees' unparalleled tenacity, coupled with a driving purpose that extends beyond economic survival are key to their entrepreneurial success.

¹ You can consult her latest study at: <https://www.worldbank.org/en/programs/private-sector-for-refugees/publication/advancing-refugee-entrepreneurship>. For more, the World Bank's online training "Understanding the Private Sector/Refugees Link" is quick, free and available in 5 languages at: <https://www.worldbank.org/en/programs/private-sector-for-refugees/brief/training>.

² Ahmad Sufian notably authored three books on refugee entrepreneurship, available on his website at: <https://ahmadsb.com/>

- **Entrepreneurial spirit:** studies have shown that newcomers in general, and refugees in particular, create businesses in their host countries at a significantly higher rate than natives. For instance, in the U.S., immigrants have founded 55% of unicorns and 65% of the top AI companies.
- **Market bridging:** with roots in their home countries and connections to new markets, forcibly displaced founders create unique opportunities by building bridges across markets and favoring the emergence of new supply chains.

National Best Practices for the Economic Inclusion of Refugees

*This first panel was composed of **Dana Mufleh** (Jordan's ministry of Digital Economy and Entrepreneurship), **Suzan Abu Farha** (Palestine's Tomorrow Youth Organization) and **Maya Chehade** (refugee entrepreneurship researcher at Cairo's CEDEJ, teacher at the American University in Cairo); it was moderated by Mr. **Andreas Garbade**, Advisor at the GIZ Mediterranean Hub for Jobs, Trade and Investment.*

- **Defining entrepreneurship:** differentiating between "entrepreneurship" and "livelihood earning" is essential for stakeholders to design effective measures and support programs.
- **Defining refugees:** distinguishing between the various groups of forcibly displaced people is key to avoiding legal "grey areas" and ensuring that they benefit from the related rights and protections. There should be a dedicated national legal framework aligned with international norms and best practices.
- **Broadening the target:** stakeholders called for expanding the approach to refugee entrepreneurship to include other forcibly displaced groups, such as climate refugees, asylum seekers and internally displaced people. This would unlock access to additional sources of funding, notably in the WEFE Nexus areas.
- **Addressing non-financial barriers:** while access to capital is often highlighted as a significant challenge, many refugee entrepreneurs also face non-financial systemic obstacles, including limited access to technology, limited access to healthcare, and restrictive legal frameworks.
- **Tackling negative societal attitudes:** political advocacy is necessary to counter negative media portrayals and anti-refugee sentiments. Furthermore, acknowledging that host communities show varying attitudes depending on refugee entrepreneurs' origins is key in addressing the issue.
- **Integrating refugees into the social fabric:** the mutation of Cairo's 6th of October City into a vibrant commercial hub thanks to Syrian-owned businesses was showcased, as it exemplifies the positive, transformative role refugee entrepreneurship can play.
- **Securing international support:** Jordan's success in leveraging refugee registration for international funding, such as their use of the EU global compact or the obtention of World Bank loans, offers a model for other countries and highlights the importance of including refugees in entrepreneurial initiatives.
- **Partnering with major corporations:** successful partnerships between international firms, such as those between IKEA and Syrian refugee women, demonstrate the potential of impact-driven procurement even beyond corporate social responsibility

Incubation and Skills Development for Refugee Entrepreneurs

This panel, moderated by Mrs. **Ziad Nesrine Rekia** (founder of Leancubator) consisted of **Enaam Barrishi**³ (Head of the Jordan River Foundation), **Myriam Nouicer**⁴ (Head of Global Communications at SINGA France), **Aïcha Manai**⁵ (Head of Finland's Startup Refugees) and **Sabrina Salama** (Head of MENA partnerships at Seedstars).

- **Addressing trauma:** many refugees face displacement-related trauma or stress, hindering their social integration and entrepreneurial potential. Incubation programs should incorporate mental health and resilience-building components to help refugees overcome those challenges.
- **Building inclusive programs:** customizing capacity building programs is crucial to support all refugee entrepreneurs. Adapting the approach and the format, including through the use of technological innovations, of the sessions is also key in reaching all potential entrepreneurs, particularly women and those settled in remote areas. Development actors were urged to prioritize the most disadvantaged refugees.
- **Reducing the language barrier:** besides offering language courses to newcomers, developing training material and/or providing training in the refugee's mother-tongues has a significant influence on entrepreneurial success.
- **Preparing for the market:** developing an understanding of local markets and supply chains should form part of every incubation program.

Success Stories: From Refugees to Successful Entrepreneurs

5 successful refugee entrepreneurs made up the panel: **Nader Aljorf** (Startup Without Borders, Egypt, who also moderated the panel), **Ahmad Sufian** (Blackbox, Germany), **Sami Al-Ahmad** (Emonovo, Egypt), **Bushra Atassi** (Skytech, Jordan) and **Madleen Abu Jayyab** (3abqour, Palestine).

- **Limited access to financial resources:** a significant number of refugee entrepreneurs struggle with obtaining financial support. In a study, 62.9% of Syrian businesses highlighted the lack of financial assistance as a major obstacle.
- **Regulatory and legal barriers:** refugees often encounter complex legal constraints, including restrictions on movement, limited or no access to labor markets, and denial of essential financial and non-financial services necessary for entrepreneurship.
- **Social exclusion and unconscious bias:** Refugee founders frequently face social exclusion and unconscious biases within startup ecosystems, making it challenging for them to integrate and receive support.

³The JRF works towards the socio-economic empowerment of the most vulnerable communities, including refugees: <https://www.jordanriver.io/en>

⁴SINGA is an NGO that works to bridge the gap between newcomers and locals in 7 countries, including France and Spain: <https://wearesinga.org/en/>

⁵Startup Refugees offers asylum seekers, refugees, and other migrants support in finding employment, developing their professional skills, and starting a business in Finland <https://startuprefugees.com/>

- Social cohesion in home country: as displacement situations evolve, those who were displaced often seek to contribute to their home country's reconstruction by building business bridges between host and home countries. Returnees with greater capital access can engage more easily in entrepreneurship, potentially widening inequalities in post-conflict reconstruction.
- Risk reward: refugee entrepreneurs, more than any other entrepreneurs, know that greater reward comes to those who embrace risk; for this reason, refugee entrepreneurs are not reluctant to engage in the early stages of post-conflict rebuilding.

Access to Finance for Refugee Entrepreneurs

Gilda Borriello, Laura Di Santolo (Managing Partner at Forward Inc⁶), Muhannad Abu Mahfouz (Bedar⁷, Türkiye) and Alaa Elnuimat (The Global Green Growth Institute⁸, Jordan) made up the panel, which was moderated by Mr. Mehdi Alaoui, founder of La Start Station.

- **Changing the lens:** As reduced access to finance remains a key challenge for refugee entrepreneurs, stakeholders insisted on the need to raise awareness among investors to adopt a “refugee lens” recognizing the unique characteristics of refugee-led startups. Panelists recommended integrating refugee-focused initiatives, such as the "Refugee Lens Scorecard⁹ into the social aspect of ESG reports to encourage corporate investment in refugee-led businesses.
- **Creating an enabling environment:** governments were urged to facilitate the registration and employment of displaced people, notably by providing simplified access to banking services.
- **Disrupting the financing environment:** fragmented funding disproportionately affects vulnerable refugee entrepreneurs. To address this, incubators should offer larger, pooled grants to consortia of startups, promoting resource sharing and inter-startup procurement. Clear terms for intellectual property and fund sharing should be established.
- **Fostering financial literacy:** financial education, including knowledge of existing funding mechanisms, is crucial. Investor due diligence is essential to ensure genuine investment in refugee-led ventures.
- **Finding the right instrument:** grants and microfinance are not to be conflated with investments. Crowdfunding may be effective for Business-to-Consumer (B2C) solutions but is more challenging for Business-to-Business (B2B) models. Additionally, it is either prohibited in some countries (e.g., Jordan) or heavily regulated in others (e.g., Egypt).
- **Investing proportionally:** not all refugee-owned businesses require equity or venture capital investments; some simply need a market push to grow.

⁶ Forward.Inc is an “Amsterdam-based, internationally operating organization devoted to helping newcomers pursue their entrepreneurial dreams” <https://www.newcomersforward.com/>

⁷ <https://www.bedar.org/>

⁸ <https://qggi.org/>

⁹ <https://refugeeinvestments.org/resources/refugee-lens/>

Access to Markets for Refugee Entrepreneurs

The last panel comprised **Hamzah Kamel** (Consultant at Proximity International, Jordan), **Mohammed Abbas** (Founder of Nilepreneurs, Egypt) and **Ola Halabi** (CEO at Olistic, Jordan); discussion were moderated by Mrs. **Ayah El Arief**, Head of Warrd, MENA Women Business Club.

- **Creating a market:** access to markets is essential for refugee entrepreneurs. Beyond training and capital, organizations can support refugees by purchasing their products and creating a market for their goods and services.
- **Strengthening networks:** social networks are crucial for the success of refugee entrepreneurs, providing essential support and recognition of their diverse needs and backgrounds. The creation of a Syrian desk at Gaziantep's chamber of commerce, and the prolific creation of Syrian-Turkish businesses that ensued, were given as examples of best practices.
- **Avoiding parallel markets:** native-owned and refugee-owned businesses typically operate in parallel markets within the same economy.
- **Changing the outlook:** refugees should be seen as potential business partners instead of mere customers.
- **Transferring skills:** the prior occupations of refugees in their home countries and the potential applicability of their skills in developing new markets within the host economy.
- **Social integration:** entrepreneurs able to offer new services instead of creating additional competition in very end-markets is crucial for social inclusion.





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