

# Refugee-Led Innovation Fund

**“Patient Capital” to develop  
refugee initiatives**

## OUR VISION

Refugees take centre stage in the delivery of our humanitarian and development work through innovation. They are the best placed to identify needs and offer solutions.



UNHCR  
Innovation  
Service


## Challenges

People who have experienced forced displacement often contribute greatly to the new communities they live in. The dedication of Community-Based Organizations (CBOs), including refugee-led groups, to generate value and positive change has been demonstrated countless times<sup>1</sup>. Yet they face considerable legal, attitudinal and structural barriers to accessing capital and established networks of support. Challenges include:

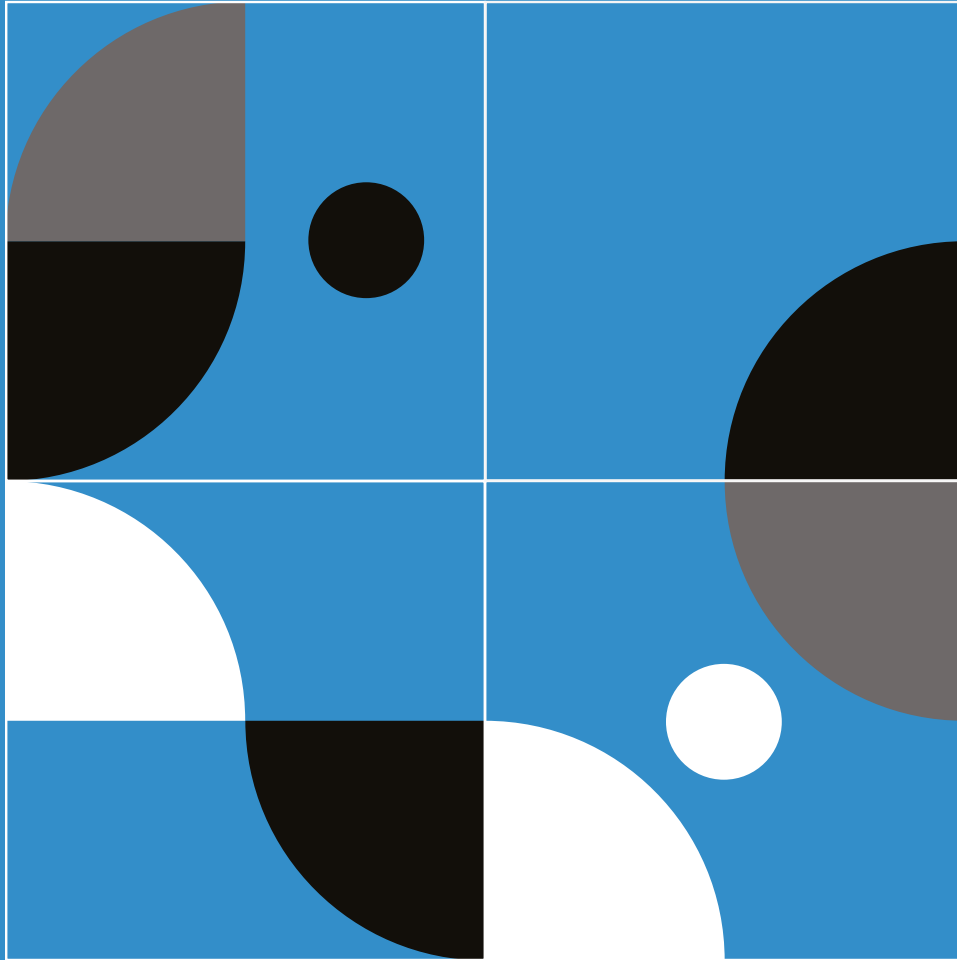
- Donors are either reluctant or unable to give grants directly. This is usually because they lack the capacity to manage a large number of small grants or conduct due-diligence to assess the risk of supporting refugee-led organizations;
- Where grants are given, there is typically a one-year programme cycle, which leads to projects being rushed. Capital is not “patient” enough to wait for results;
- Refugee-led organizations aren’t always included in existing local networks of entrepreneurs and innovators. Limited partnership between them means the considerable reach and power of these networks to support and accelerate refugees’ initiatives go largely to waste;
- Even when refugee-led organizations are resourced, their effectiveness is often weakened by fragmentation locally and internationally. Groups try to address similar problems in various places but they are not in touch with each other and can’t make common use of networks, knowledge and funding to achieve sustainability and impact at scale.

Trying to address this challenge, many innovation grant programmes take a top-down approach by which priorities are identified and solutions designed by organizations and refugees are just the end-users or “beneficiaries of aid”. They may receive limited support in the form of grants but the short duration of these programmes makes it hard for them to experiment creatively and generate sustainable value for their communities. These shortcomings prevent people who have

<sup>1</sup> <https://www.unhcr.org/innovation/unhcr-ngo-innovation-award-2020/>



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experienced forced displacement from identifying their needs and priorities and building a better future.

The Refugee-Led Innovation Fund proposes a fundamental shift in programme architecture. It takes a grassroots approach by which refugees get the direct support and resources they need. This reflects UNHCR's commitment to strengthen participation and inclusion and honours our policy on Age, Gender and Diversity, including our commitment to advancing Accountability to Affected People (AAP).

### Objective and Approach

**Overall Objective:** We aim to achieve refugee-led innovation through a holistic and flexible support mechanism combining financial resources, mentoring and other expertise. This should go directly to communities so they can design their own novel interventions focused on systemic change.

**Target Population:** The Fund will support innovation by refugees, asylum seekers, the internally displaced, returnees and stateless people. Applicants will be asked to apply as a team, usually as part of either a CBO or a Refugee-led Organization. UNHCR defines these as:

- *Community-Based Organisations:* A group with a common goal of providing services to the community. A non-profit,

grassroots organization, it depends primarily on volunteers. A CBO must show that People of Concern are in leadership positions;

- *Refugee-led Organizations:* An organization established and led entirely by refugees or asylum seekers, or having them in over half of the decision-making roles.

To achieve this **Objective**, we propose the following **Approach**:

- Support the forcibly displaced to discover potential in their context, and design interventions that can generate value;
- Provide a holistic support mechanism tailored to their requests, including financial support, mentorship and technical expertise;
- Involve a network of actors to champion innovators. Use the local ecosystem to achieve sustainable results;
- Connect disjointed, localized innovation by facilitating peer support, learning and sharing;
- Build evidence that proves the power of solutions developed by refugees. Use it to overcome barriers preventing their organizations from accessing resources;
- Support advocacy efforts by RLOs to address narratives, laws and funding dynamics which place them at a disadvantage.

### Planned Activities

#### Identifying challenges and good ideas

Refugee-led organizations interested in participating in the Fund can engage in three ways:

- *Just a challenge*— They have spotted a challenge or opportunity but haven't yet worked out how to address it. They would receive support to refine the way they frame the problem and develop an idea for consideration.
- *New idea*— They have defined the challenge or opportunity and have an idea they want to test and further develop.
- *Existing idea*— They want to fine-tune and develop an established solution.

Outreach to refugee-led organizations will be done using their preferred communication channels. Local UNHCR personnel will encourage them to apply to the Fund. Those who are interested will get support to define their projects and submit their applications.

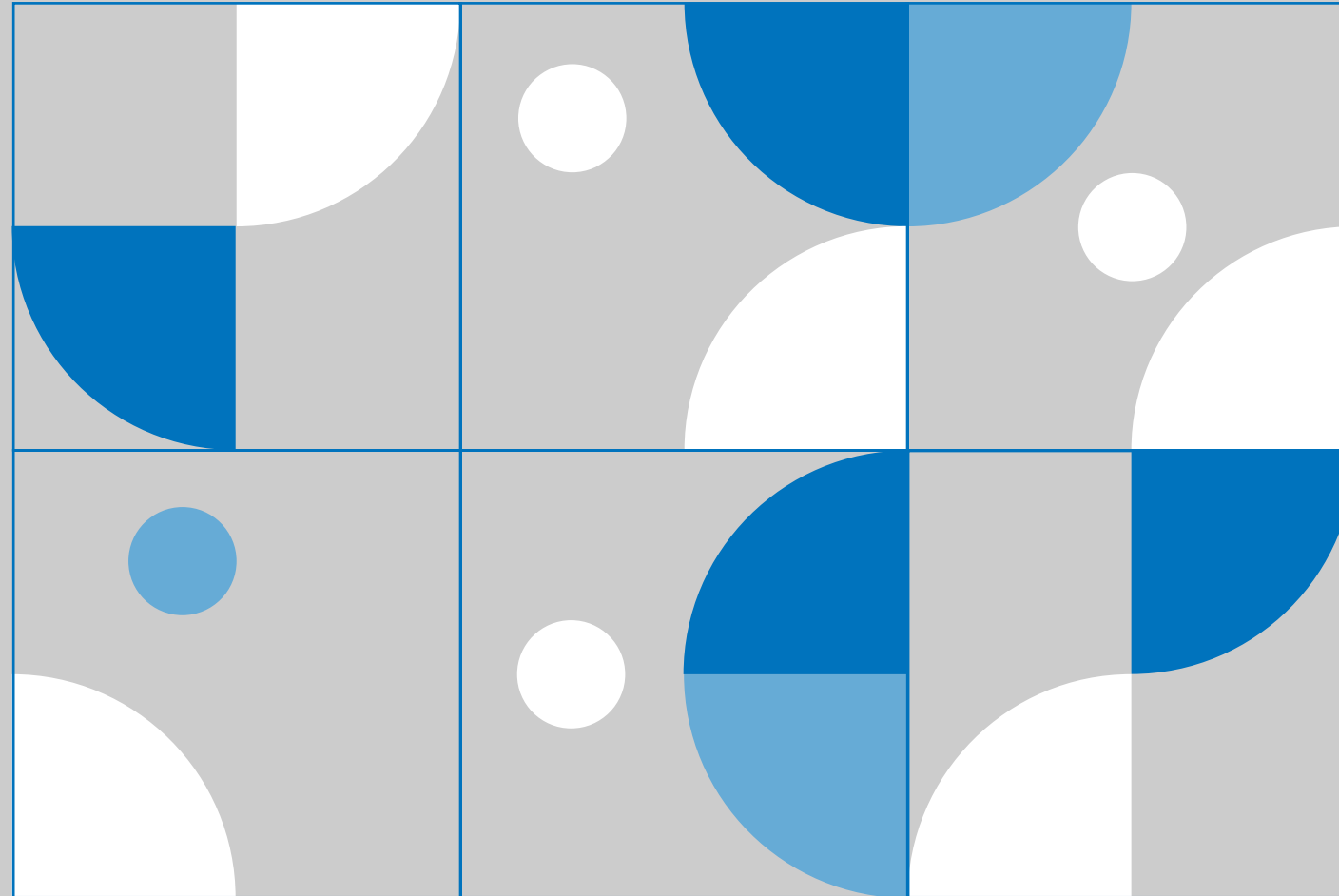
#### Establishing holistic support

Grantees will get tailored support for their projects from start to finish. This will include:

- **Ongoing mentoring with dedicated Innovation Coaches:** Refugees will get hands-on training to experiment

with different approaches and manage their projects;

- **Financial support:** They can apply for funding to support their projects at different stages of development.  
*Proof of concept stage:* Tests a solution's feasibility in an operational context. This is for innovations at an early stage that need testing to understand user interest, feasibility and viability.  
*Pilot stage:* Demonstrates a solution/delivery model for the first time or in a new context. This is for innovations where a prototype already exists but needs to be tried out in a new setting.  
*Transition to scale:* Supports replication and scaling of successful solutions. At this stage the fund will support refugee-led organizations to find additional funding and partnerships to support the scaling process;
- **Technical support and expertise:** External specialist advice on needs from technology to legal support will be available;
- **Peer-to-Peer support:** Teams will be encouraged to meet, share experiences, learn from each other and explore partnerships;
- **Other support:** Depending on needs, this could be organisational support, help with project sustainability and scale, training on specific topics, business model advice and media and communications support.



**Refugee-led organizations can access capital and networks, thus encouraging others to invest in these types of organizations and promote the integration of refugees into national services and local economies.**

### Monitoring, evaluation and learning

The fund will help grantees measure outcomes, assess the effect of their initiatives and gather information to support growth. We will encourage them to document, share and make use of relevant learning. Discussion and reflection with their communities will enable them to incorporate and respond to feedback.

### Desired impact

- People who have experienced forced displacement strengthen their capabilities to lead local, innovative initiatives. They are supported to amplify their potential and that of their communities;
- Refugee-led organizations can access capital and networks, thus encouraging others to invest in these types of organizations and promote the integration of refugees into national services and local economies;
- People who have experienced forced displacement are recognised for their role in humanitarian response and development. They have more control over their lives and are seen as agents capable of determining their own futures and contributing to their communities;
- Innovation is embedded in local contexts. Projects are community-driven, informed by culture and legitimized by refugee involvement.

## Frequently Asked Questions

**Does the fund focus on a specific technology, theme or impact area?**

No. The Fund stresses the importance of having people affected by forced displacement frame the problems themselves and lead the design of solutions.

**What is the duration of the Fund?**

A minimum of 24 months. Multi-year funding allows us to channel appropriate support to local innovators as they experiment with novel ideas. We want to move away from the pressure of the one-year programme cycle and deploy “patient capital” to teams from the time they conceive their initiatives, through implementation to post-project follow-up.

**How was the Refugee-led Fund designed?**

The design of the Fund was shaped through a three-month process alongside refugees and UNHCR colleagues and was facilitated by a service design agency. The inclusive process supported participants to co-create and shape this Fund’s blueprint.

**Has the Innovation Service supported refugee-led innovation in the past?**

Yes. One example is how we championed Tetah, a Sahrawi engineer, who developed a shelter design using recycled material that can withstand the harsh conditions of the Sahara (see news coverage in the [Guardian](#), [Middle East Eye](#) and the [Huffington Post](#)). Another example is the [NGO Innovation Awards](#), which honoured the role of refugee-led organizations in helping their communities cope during the COVID-19 pandemic.

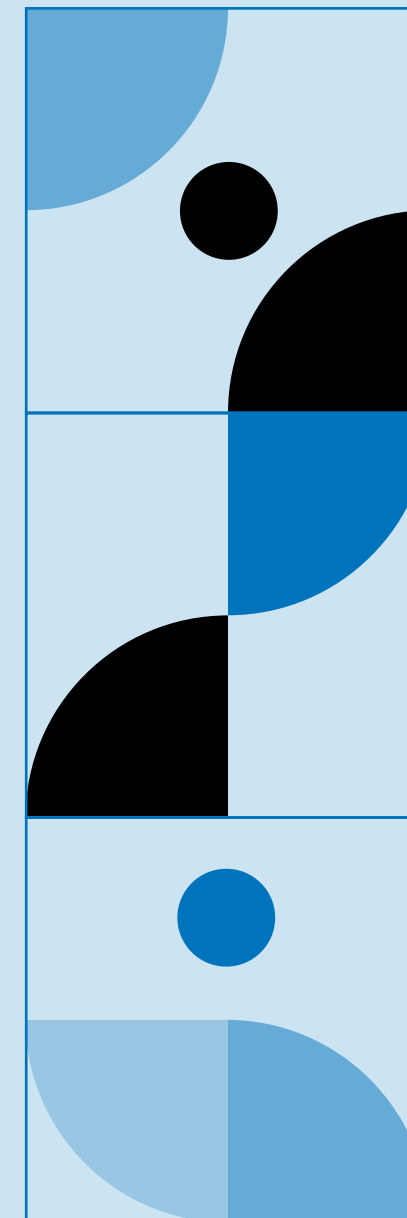
These examples illustrate that the foundation for the Refugee-led Innovation already exists. What is missing is a cohesive Fund: one that connects resources and UNHCR support to local, refugee-led experimentation, while also connecting refugee-led organizations with each other and with established innovation networks.

**What is the Fund’s budget, and how many initiatives will it support?**

The pilot phase requires a minimum of US\$850k a year (or 1.7m over 24 months) and will support five to seven innovation initiatives. Based on the results of the pilot, the programme will be refined and expanded to support up to 15 projects. A contribution of US\$2m a year is needed to support this expansion.

**How will financial support be channeled to refugee-led organizations?**

There will be a blended funding mechanism combining a) a direct, small grant using the newly developed UNHCR grant agreement; and b) the procurement of goods and services for refugee-led organizations by UNHCR country operations and the Innovation Service.



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