



IFC, Microsoft Brazil, UNHCR Brazil and AVSI Brazil partnered to promote training and employability for forcibly displaced populations. ©AVSI Brasil

# UNHCR and IFC cooperation for the inclusion of refugees and migrants in Brazil

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## BACKGROUND

UNHCR, the UN Refugee Agency, and the International Finance Corporation (IFC), a member of the World Bank Group, signed a Memorandum of Understanding on November 30th, 2018, to join efforts and create innovative solutions to overcome medium to long-term challenges faced by refugees and migrants in Brazil. Following joint missions and consultations with local partners that resulted in the identification of some of the main challenges for the local integration of refugees and migrants in the country, the two organizations sought to explore potential ways to engage the private sector in providing solutions to this population with a primary focus on three pillars:

- **Employability**
- **Affordable Housing**
- **Financial Inclusion**

## PARTNERSHIP PILLARS AND SPECIFIC PROJECTS

### EMPLOYABILITY:

Projects within this pillar aim at consolidating the business case for companies to progressively support and offer job opportunities to refugees and migrants. They cover a risk mitigation business proposition to anchor companies looking to leverage new talent pools resulting from the displacement of human mobility in sectors such as IT-based businesses, hospitality, healthcare, nursing, and other talent-intensive businesses.

### WE ARE ALL CAREGIVERS (2019):

Sodexo, one of the largest global services companies in Latin America, is a UNHCR partner on the employment of refugees, especially refugee women, since 2015. In June 2019, IFC strengthened this collaboration by proposing a new joint initiative. The pilot project consisted in a three-week onboarding course aimed at

refugee women who had survived domestic violence. 96% of the participants were hired by the company, and turnover rates dropped from 30% to 20% percent after three months, which convinced Sodexo to carry out a second round.

### DIGNIFY WOMEN IN TECH (2019):

IFC partnered with Dignify, a social enterprise created in 2017 that uses technology to promote digital and economic inclusion of forcibly displaced populations. In October 2019, Dignify Women in Tech project recruited 15 refugee and migrant women who had been unemployed for more than six months. Women received three weeks of training and had an opportunity to put those skills to use by performing freelance digital work, addressing the high demand for labor in the multi-billion-dollar—and growing—Artificial Intelligence market. Productivity was high and all participants received the equivalent of 2.5 times the hourly minimum wage.

### COMPANIES WITH REFUGEES FORUM AND REFUGEE ENTREPRENEURS PLATFORM (2021):

UNHCR and the Global Compact Network Brazil launched the two projects with the institutional partnership of IFC. The Companies with Refugees Forum now brings together more than 50 companies committed to changing hiring practices by promoting inclusion of forcibly displaced populations. The Refugee Entrepreneurs Platform provides information on specific training and microcredit and currently promotes over 100 refugee-led businesses.

### DIGITAL FRONTIER (2021-2022):

The project offered technology courses to 30 refugees living in shelters managed by UNHCR in partnership with AVSI Brasil in Boa Vista, Brazil, and supported their connection with employment opportunities in other regions of the country. The initiative was supported by Microsoft in offering courses and by UNHCR and AVSI Brasil in assisting participants and their families. IFC led the project and financed the improvement of AVSI's IT laboratory infrastructure (where the courses were held)

and the contracting of a specialized consultant to support the group. IFC and UNHCR also joined efforts on the presentation of the project to companies. It is expected that the project report (under development and to be shared with the Companies with Refugees Forum) will help build the business case for the inclusion of refugees in the Brazilian labor market and strengthen the role of the private sector in promoting values such as diversity, inclusion, and equal opportunities, as it contains valuable lessons learned.



UNHCR's international specialist in financial inclusion, Micol Pistelli, shares UNHCR's experiences with the micro-credit segment. ©UNHCR/Miguel Pachioni

## **AFFORDABLE HOUSING:**

Project aims at developing rental-based models that reduce financial and bureaucratic housing costs for refugees and migrants, such as the exemption of warrants, prior credit history and other rental requirements considered difficult for these populations.

## **CITAS (2022):**

The project seeks the development of affordable housing solutions in retrofitted, commercial, sub-utilized buildings in downtown Sao Paulo, to be converted to mixed-use (residential and commercial) buildings. Residential use will be directed to tenants that follow a previously established eligibility criteria, thus making the best effort to include as much low-income and refugees and migrants as it is economically feasible in rent-based models. The project is under development and is expected to benefit 10 refugees and migrants' households by 2023.

## **FINANCIAL INCLUSION:**

Cooperation under this pillar aims to channel financing and micro-finance to small and medium enterprises led by incoming populations through best-positioned financial intermediaries, helping to build the business case for the provision of financial services.

## **WORKSHOP WITH FINANCIAL INSTITUTIONS (2019):**

IFC and UNHCR organized a 2-day workshop with the participation of financial institutions, regulators, network associations and government agencies. The workshop served to showcase successful refugee entrepreneurship initiatives and to reduce biases and paradigms of risks among financial institutions in regard to these populations.

## **GUIDE FOR FINANCIAL INSTITUTIONS (2020):**

IFC and UNHCR, in partnership with the Brazilian Banking Association (FEBRABAN) and the Brazilian Central Bank, prepared a brief guide to inform financial institutions about the profiles and specific documentation of refugees and migrants and their financial needs. The guide served as a reference for a similar document soon to be launched by the Colombian banking association with IFC, UNHCR, and other partners.

## **BANCO DO POVO CRÉDITO SOLIDÁRIO - BPCS (2020):**

BPCS, an unregulated microfinance institution of São Paulo, launched in 2020 a specific credit line for refugees and migrants with the sponsorship of Kiva. Upon IFC's recommendations and with the support of UNHCR, BPCS hired staff exclusively focused on generating a microcredit portfolio for this population. The institution has a current portfolio of 134 refugees and migrants, with a loan value of BRL 400,000 (USD 73,678). The client base is composed of 57% of women, 61% of informal business, and 38% over 40 years old. Of the total number of clients, 66% did not offer financial guarantees.



## BANCO PÉROLA (2021):


UNHCR is actively working with Banco Pérola, a credit association providing micro loans to low-income households and entrepreneurs in Brazil through its digital platform. IFC has been involved initially to understand the fintech business model and their capabilities to offer micro loans to migrants and refugees. The institution is serving 90 migrants and refugees with a loan portfolio value of BRL 389,000 (USD 71,652).

## BANCO OMNI (2022):

Currently an IFC partner, the bank has established a migrant information and support center in São Paulo and started to serve a small number of migrants and refugees with micro loans. IFC's advisory services focuses on strengthening the banks' micro credit risk management areas to be ready to serve a larger portfolio of refugees and migrants.

## ABOUT UNHCR

UNHCR, the UN Refugee Agency, is a global organization dedicated to saving lives, protecting rights and building a better future for people forced to flee their homes because of conflict and persecution. We lead international action to protect refugees, forcibly displaced communities and stateless people. We deliver life-saving assistance, help safeguard fundamental human rights, and develop solutions that ensure people have a safe place called home where they can build a better future. We also work to ensure that stateless people are granted a nationality. We work in over 130 countries, using our expertise to protect and care for millions.

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UNHCR Interim Representative, Oscar Pineiro, talks with Venezuelan entrepreneur Marco Silvera at his commercial establishment in the south zone of São Paulo. @UNHCR/Miguel Pachioni




BPCS professionals monitor the use of the loan made to the business of Venezuelan Marco Silveira. @UNHCR/Miguel Pachioni

## ABOUT IFC

IFC—a member of the World Bank Group—is the largest global development institution focused on the private sector in emerging markets. We work in more than 100 countries, using our capital, expertise, and influence to create markets and opportunities in developing countries. In fiscal year 2022, IFC committed a record \$32.8 billion to private companies and financial institutions in developing countries, leveraging the power of the private sector to end extreme poverty and boost shared prosperity as economies grapple with the impacts of global compounding crises. For more information, visit [www.ifc.org](#)

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