

# CASE DESCRIPTIONS



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## STARTUP SYRIA

### ENTREPRENEURSHIP IN EXILE, INSIGHTS INTO SYRIAN REFUGEE STARTUPS IN HOST COUNTRIES

By Ahmad Sufian Bayram, Founder, Startup Syria, Author of 'Entrepreneurship in Exile'

*Presented at the workshop on the role of the private sector in economic integration of refugees (Paris, June 11-12, 2019)*

In a time when refugees are frequently debated in the news as a problem, it is easy to forget the hardship they had been through. Having escaped destruction, traumas, and even death, they arrive at their host countries with determination to make the most of their new home, and many have gone on to achieve their ambition in becoming entrepreneurs.

This book, *Entrepreneurship in Exile*, is built on data a study examining hundred Syrian refugees entrepreneur's views and experiences to spot the light on them, the challenges it faces, the potential it has and the uncertain future that lies ahead. It provides a stark reminder that, given the right circumstances, refugees can contribute to the local society and economy of the host country.

The principal message of this report is that in spite of the hardships experienced by Syrian refugee entrepreneurs in host countries, many have taken the initiative to start their own businesses. Governments and international organizations should consider assisting entrepreneurs in their endeavors to better secure their future. Given sufficient up-front support and smart governmental policies, entrepreneurs' efforts can yield substantial social and economic dividends.

Syrian entrepreneurs, like the wider population of Syria, have fled the country to seek sanctuary around the world. Having taken their ideas and ambitions with them, they have met with mixed success in their new homes. Some have managed to create new start-ups and thrive in innovation-friendly environments, while others have grappled with a range of challenges that make it harder for small and medium-sized enterprises to get off the ground.

Despite the severe conditions in which refugees and immigrants live, they have shown incredible strength and resilience. Many have worked hard to achieve their ambitions, becoming refugee and immigrant entrepreneurs.

The report also offers insight into what can be divided into three main categories of entrepreneurs in exile: entrepreneurs based in refugee camps, entrepreneurs in urban areas, and portfolio entrepreneur. Participants in each of these categories have faced circumstances that either facilitated or obstructed the establishment of new businesses.

The efforts of Syrian entrepreneurs have turned the neighborhoods of 6th October City, Egypt, into bustling corridors of Syrian restaurants and

grocery stores (the area is now called “Little Damascus”). In Turkey, a total of 8,367 new Syrian companies were founded in 2017, up from a mere 157 in 2012, and 800 Syrian industrial establishments have relocated to operate in Jordan.

Syrian entrepreneurs in host countries contribute to a wide range of sectors. The most common industry for the self-employed among those surveyed was general services, with 28.5 percent of participants having opened businesses such as restaurants, grocery stores, barber shops, etc. The second most common sector, with 27.8% of start-ups surveyed, was information technology (IT)— the sector that includes main technological applications— along with administrative services.

Syrian women are gradually embracing entrepreneurship and establishing small businesses to earn a living. Across all host countries, 17.22 percent of displaced Syrian women participate in entrepreneurship, a significant improvement over female participation in Syria before the crisis. However, this figure changes from country to country. For example, in Turkey, that number stands at 16.1 percent, while in Lebanon it is up to 29.4 percent.

Refugees have an entrepreneurship rate that outpaces their economic contributions. The Zaatari refugee camp in Jordan is home to more than 4,500 refugee entrepreneurs. This means that 12.5 percent of refugees there are entrepreneurs, while only 4.5 percent of the Jordan-born population is. The entrepreneurship rate among Syrians living in Turkey is meager at 1.26 percent, compared with Turkey’s overall entrepreneurship rate of 9.40 percent in 2016.

Identifying the critical challenges faced by Syrian refugee start-ups is essential

to gain a better understanding and insight into the strengths and weaknesses of the social and economic entrepreneurial environment. Additionally, it can aid in developing ways to overcome obstacles and thus help foster entrepreneurship.

Based on the study, ten main challenges were identified: travel restrictions, complex regulatory policies, banking and financial services limitations, the struggle for living stability, limited funding and investing options, language and cultural barriers, psychosocial background and trauma, social exclusion, unfamiliar business environments, and an uncertain future.

To address those challenges, the report offers a list of recommendations based on both the experience of entrepreneurs and the expertise of business people, NGO leaders, financial experts, and others who have either worked with refugee entrepreneurs or were part of efforts to help them create businesses include; providing entrepreneurs with supportive regulatory policies, supporting Syrian entrepreneurs to get access to fund and banking services, introducing entrepreneurs to local business environments and key players in startup ecosystems, and building refugees supportive environments.

This report, *Entrepreneurship in Exile*, demonstrates why any debate about refugees should be conducted with an eye on what refugees can contribute to the local society and economy of the host country. It provides a stark reminder that, given the right circumstances, Syrian refugees are ready to integrate and start a new life. Given sufficient up-front support and smart governmental policies, entrepreneurs’ efforts can yield substantial social and economic dividends.

## Biographies of Author:

*Ahmad Sufian Bayram*

*Founder, Startup Syria, Author of 'Entrepreneurship in Exile'*

Ahmad Sufian Bayram is a social entrepreneur, author, and strategy and creative leader in technology. Since 2012, Ahmad has been supporting hundreds of Syrians to gain access to entrepreneurship opportunities and build a supportive environment.

Ahmed is the Middle East and Africa Regional Manager at Techstars; a worldwide network that helps entrepreneurs succeed with a portfolio of over 1,500 companies, Techstars operates in 150 countries. He is also Jusoor's entrepreneurship program manager, an adviser in the Techfugees Board, and Entrepreneur in Residence at Aliqtsadi. He also co-chairs several programs with the aim to support startup founders in the Middle East and has an advising role at several startups and non-profit organizations. Ahmad has published "Entrepreneurship In Conflict Zones" book, highlighting the experiences and needs of Syrian entrepreneurs inside the country during the conflict and second book "Entrepreneurship in Exile" insights into Syria refugees startups in host countries. He has also appeared in top-tier tech publications such as the World Economic Forum, Forbes, The Guardian, Financial Times, The Wall Street Journal, The Huffington Post, and many others. Also, presented in top stages including EU Parliament, World Bank, Wilton Park, Goethe Institut, Google, SPARK Ignite, Techfugees summit, Startup Istanbul, and many more.

## PEACE BY CHOCOLATE

### MY PATH TO ENTREPRENEURSHIP IN CANADA, AND BUILDING A PURPOSEFUL BUSINESS

By Tareq Hadhad, Founder and CEO, Peace by Chocolate

*Presented at the workshop on the role of the private sector in economic integration of refugees (Paris, June 11-12, 2019)*

Entrepreneurship is a way of economic inclusion and it's all about being unique and remarkable, it's also about those who think out of the box and take risks that others won't have the courage to take, not only for the sake of experience but because entrepreneurs are the real social and business game-changers of our time. It doesn't take a lot to switch any idea into reality - at a time where you can start your own project with a smart device and internet (and sometimes you don't need the latter until getting deeper in the process). The accessibility of resources in our time is a changing factor to so many as we are noticing a massive switch in the global approach towards new startups and businesses. We now understand more than ever before the value of new ideas and the chance for transforming our societies to the better by building on our belief that risk takers are opportunity makers, all around the globe. Newcomers should have the opportunity to explore entrepreneurship as a pathway to success and settlement and service agencies should be able to refer newcomers to the appropriate resource.

We understand that the world is more interconnected than ever before, yet we continue to witness exclusionary policies and rhetoric. We continue watching people fleeing their homes for so many reasons - whether it's by choice like regular immigrants or because of wars, instability and armed violence that made their lives at an extreme risk like refugees who lose everything in the blink of an eye

and are forced to find another place to call home and rebuild their lives again.

The journey of rebuilding can be long and ruthless but the passion to be contributors to the system is what makes this group of newcomers so creative by finding ways to fill the gaps in society with full determination and perseverance because migrants and refugees are not numbers, they are human beings. Every person should have a place to call home, it is a basic right. It is our duty to treat migrants and refugees with empathy, dignity and respect. We know that migration is an opportunity for individuals, for families, and for our countries. It can bring significant economic, social and cultural benefits to host countries as well as income to countries of origin. It also benefits human relations and cooperation across borders.

After losing everything in the war in Syria in 2012-2013, we had little room for hope but plenty of room for frustration. A father and a mother that have built an empire of chocolate in the country, myself as an aspiring physician, my siblings who were on their way to put their fingerprint into our community, we had to take the hard decision, leave everything behind and flee the country with only the clothes on our back.

However, only few days after coming to Canada and landing in small town on the Canadian East Coast called "Antigonish", we found out that entrepreneurship is our

door to integrating in our new community and building connections in the country that we started calling "home".

Contrary to our own expectations, it only took us two months to rebuild our business. The despair and uncertainty that had been letting us down, were quickly replaced by motivation and inspiration that had always ignited our entrepreneurial spirit. It was this spirit that influenced us to create something remarkable and unique that could show everyone the potential immigrants can bring to their new communities.

In early 2016, we created Peace by Chocolate with the aim to share a taste of peace with each piece of homemade chocolate. It may sound strange, but I was motivated greatly by my background in medicine: both chocolate and medicine have the goal of making the world a happier and less painful place, and both require skills that bring people together instead of tearing them apart.

We created the 'Peace' bar which comes in over 20 different wrappings, each displaying the word 'peace' in a different language. We also created slogans like 'One Peace Won't Hurt' and 'Peace Is Beautiful in Every Language', to remind customers of our backstory and how much we have been through in the last several years to make these little pieces of joy reach their hands.

By September 2016, our story had begun to reach parts of the country we could have never imagined. Even Prime Minister Justin Trudeau was moved by our story and during the United Nations Leaders' Summit on Refugees and Migrants that month, he delivered a speech in which he told the world how we had rebuilt our life and business in Canada. Our family's story went viral, and against all odds, we became the face of the new Canadian Syrians. I believe that chocolate has been the key ingredient

of my integration in Canada, and thanks to chocolate, we have been able to give back to our new community, from offering jobs to locals to sharing new methods. We even donated some of our profits to the Canadian Red Cross when we witnessed the terrible wildfires in Fort McMurray which forced many families out of their homes in 2016. We know that devastating feeling and felt that we needed to help our new fellow citizens.

We realized that the development of services of particular importance for the society as they may tackle important issues such as ageing society, resource scarcity, fight against poverty, the process of entrepreneurial idea and business concept development, and the refinement of the business concept, help creating trust in the local people and acculturating a sense of belonging. During the process, immigrants are also being re-integrated to the home country through maintaining and establishing new links to the home country.

Newcomers must be flexible, acknowledge the risks and never take any resources available for granted. I believe that it is an immigrant's responsibility to speak out and share one's ideas when they arrive at their new home: no one will come knocking at your door to ask what plans you have.

One has to be open and give integration a chance. At the same time, I would love to see more diverse resources for new immigrants to prosper. There are some resources out there for sure, but they are sometimes almost too abundant in some fields while too scarce in others. Governments should acknowledge that it's important for the country to grow at the same pace in both metropolitan and rural areas. A fair distribution of newcomers in their new communities is crucial for the sustainability of small towns.

We started Peace by Chocolate in 2016. It developed from a self employed family to hiring the first employee August 2016, adding extra 10 employees by December of the same year and look for opportunities to scale up quickly to match the phenomenal awareness nationally and internationally of the story and the values that we put in the business and the charitable side of the business to help build a more peaceful world. We are now hiring a number of people – in distribution, production, accounting, and other specialties. It's always important to mention that the new hires in any start-ups are a great part of the integration process. There is a focus to get the host community involved and learn from them and understand the systems to get loans, build distribution networks and understand the demand and culture. This also helps the business to reverse the prejudices about the impact of the newly created jobs and the policies that the business will have in place to be as inclusive as possible.

Peace by Chocolate inspired real change in understanding the impact of immigrants into their society. The acceptance to bringing people to our province especially increased more than 45% since 2015. Our family established the Peace on Earth society to support projects like Special Olympics, Indigenous communities and Canadian NGOs who are making an impact to change the lives of Canadians and the world to the better.

### **Originality, innovation and future plans**

As a brand, Peace by Chocolate was uniquely positioned to provide a positive peace-oriented narrative within an otherwise conflict driven global conversation. Its original mixture was unlike any story being told in Canada or the world. What has set Peace by Chocolate apart is its ability to shift

empathetic and emotion driven support of refugees into a pride inducing representation of a country coming together to support immigration. It's a good news story and for all the right reasons - community, compassion and hard work.

Peace by Chocolate fully intends to accomplish its goal of being a top 5 chocolate company in Canada. Doing it the Hadhad way will demand innovation in both how and where the brand furthers its peaceful conversation.

The Peace Bar has introduced a new conversation around peace into thousands of homes, just two weeks after its roll out across five provinces. The second chocolate bar brand, releasing in July, has already outpaced pre-orders. With names like Bygones be Bygones and Kiss and Make Up, the Forgiveness Collection is a call to action for people to address pointless squabbles and differences of opinion. Like any production facility, minimizing costs factor significantly into operating at a profit. Automation coupled with hands on flex points in production will be a key investment moving forward. The brands products are already priced near the top of the confectionary industry so investment dollars cannot be recouped at retail or wholesale. The brand will need to improve production efficiency so savings can be invested in brand awareness initiatives. This will be a major turning point for the business but an inevitable stopping point on the road to 1 in 5 market share.

Generally speaking, to succeed as an entrepreneur, the start-up is everything. Once you help people get on track, they will continue on the road by themselves. Immigrant entrepreneurs can be important for several reasons: they create their own jobs; can create jobs for others; can develop different social networks than immigrant workers; and, last but not least, shape their own destinies rather than



collecting welfare benefits and waiting for cues to become active. Also, they can provide a different range of goods and services; they can enhance the vitality of particular streets or neighbourhoods in cities or of specific economic sectors; they can give an added value to the appearance of the city. And of course they can play their part in the ‘natural’ process of succession and renewal of the total corpus of entrepreneurs. They work hard because it’s make-or-break for them.

At Peace by Chocolate, we recently announced that by 2022, we will hire 50 refugees, help 10 refugee startups by

mentorship and support 4 refugee businesses to access new markets through our distribution channels.

In the end, we all should look again at entrepreneurship in the new communities as a rebellious way to change economies. Being an immigrant and starting your own business is not always easy but once the ideas start rolling, things can become clearer. No better way to face the cultural shock after the first couple of weeks in the new country than starting a small business to reflect your skills that you came with, which will lead to a great movement to embrace the start-up and incubate it.

## Biographies of Authors:

*Tareq Hadhad*

*CEO, Peace by Chocolate*

Tareq Hadhad, the founder and CEO of Peace by Chocolate and one of the Top 25 Immigrants to The Maritimes moved to Canada in Dec 2015 as a Syrian newcomer. He studied medicine at Damascus university and proceeded to join the medical relief efforts for the Syrian refugees with UNHCR and WHO through a local organisation when he arrived to Lebanon in 2013 as a refugee himself. Passionate about the peace and youth entrepreneurship, and just after arriving in Canada, he and his family started their company “Peace by chocolate” in Antigonish, NS, to sponsor peace building projects and support the local economy by offering jobs. The company later turned into a phenomenon that inspired so many people around the world and was mentioned by a famous speech for the Prime Minister Hon. Justin Trudeau at the UN summit in Sep 2016 in New York as a remarkable example for the contributions of the newcomers in their communities.

After a series of media interviews with 500 media agencies including BBC, CNN, PRI, CBC and much more, Tareq and his family won the Newcomers Entrepreneur Award and was chosen by Google the National Hero Case in Canada in 2018. He is also challenging being physician in Canada. He is now serving on Board of Director for Invest NS to support Public Grateful for the encouragement and support from his new community, and is now also more involved in public speeches and media campaigns and interviews to support youth entrepreneurial skills as well as linking the Syrian youth and helping the Syrian refugees all around the world.

## BUILDING AND WOOD WORKERS' INTERNATIONAL (BWI)

### DECENT JOBS FOR SYRIAN REFUGEES IN LEBANON

By Wassim Rifi, MENA Region Project Coordinator, Building and Wood Workers' International (BWI)

*Presented at the workshop on the role of the private sector in economic integration of refugees (Paris, June 11-12, 2019)*

More than 5.6 million Syrians have fled the civil war in Syria to neighbouring countries according to the UN. Around 1 million refugees are registered with the UNHCR in Lebanon, but the actual number is closer to 1.5 million. This makes Lebanon the world's largest per capita recipient of refugees, and the social and economic strains on the Lebanese society are massive. Syrian refugees tend to be economically marginalised having little opportunity to provide for their own livelihoods. As humanitarian aid continuously fails to meet the necessary requirements, and hostility towards Syrian refugees is on the rise among the general Lebanese population, there is an urgent need for efforts to provide a fair labour market inclusion of Syrian refugees in the country.

Many Syrian refugees are skilled construction workers and manage to find jobs in the informal construction sector. However, these jobs are often precarious, and refugees are generally paid a fraction of the wages Lebanese workers are paid. This leads to many conflicts with local workers and creates tensions that are felt by both workers and employers.

Also, getting a work permit in Lebanon is notoriously difficult, and it is hard to imagine that Syrian refugees will find decent jobs and become productive and reliable resources for employers without a change in the policy of the Lebanese Government.

At its 4<sup>th</sup> congress in 2017, the global union federation for trade unions in the construction sector 'Building and Wood Workers' International' (BWI) adopted a strategic plan that seeks to address the Syrian refugee crisis and promote the inclusion and promotion of decent jobs for Syrian refugees on the labour market in the region. With support of international partners, such as the United Federation of Danish Workers – 3F, BWI has concluded that regardless of whether Syrian refugees remain in host countries, return to Syria or migrate to other countries, they will need assistance to understand their rights, organise and have the opportunity to upgrade their skills. BWI believes that promotion of sustainable jobs and livelihoods for refugees cannot be attained if they do not have a chance to enter the formal labour market and can join and represent trade unions that negotiate and operate on their behalf.

In Lebanon, BWI is targeting Syrian refugees in the construction sector in partnership with the Lebanese construction union and the construction sector and seek to ensure that they know their rights and how they can avoid being abused in the informal sector. The BWI also influences their affiliated trade unions in the country to seek a cooperation on a bi-partite level with employers' organisations to reach results in this field.

In Lebanon, BWI has focused on organising and building capacity of Syrian refugees providing advice and legal aid in the different districts of the country. In

cooperation with the Lebanese construction union, BWI is helping refugees to organise in committees where they can address their concerns and receive assistance. In many cases, Syrian refugees feel isolated and do not openly share their concerns with Lebanese colleagues. By supporting Lebanese trade unions to be more open and enter into dialogue with Syrian workers, they identify and understand problems on building sites and workplaces, as well as gain new potential members. In many districts of Lebanon there are now regular dialogue meetings in these networks where the trade union meets both Lebanese and Syrian workers to address their concerns and give legal advice. The BWI participates with support to organise these meetings and provides input and experiences from trade unions in other countries in the region.

The activity to support local unions to form refugee committees and give advice is paired with lobbying and advocacy on the national and regional level. The BWI uses its position as a global union federation to issue support statements and raise awareness on the issue of refugees, ultimately aiming for the Lebanese government to better protect the rights of Syrian refugees and provide an uncomplicated way for Syrian refugees to gain work permits.

In 2019, the BWI can conclude that their work has yielded several results that immediately promotes the inclusion of Syrian refugees on the labour market in

the country and that improves their livelihood.

- Syrian refugees are given legal advice on how to claim unpaid wages, protective equipment etc.
- Syrian refugees that have been unlawfully dismissed are reinstated after assistance from the trade union.
- Syrian refugees are coached and advised on how to register for a work permit in cooperation with their employer
- Lebanese and Syrian workers meet and discuss conflicts on the labour market relating to wages, working hours etcetera.

The BWI effort focusing on refugees is also part of a larger regional program in Lebanon, Jordan and Turkey in cooperation with 3F, and Danish Industry (DI) to improve social dialogue and increase the labour market inclusion of refugees all three countries. During the course of 2019 and 2020, social dialogue forums will be established to address hurdles and challenges that trade unions and employers can act jointly to overcome.

The BWI has also formed a regional network of trade unions in the construction sector, where trade union representatives can meet to share experiences and plan regional campaigns relating specifically to how refugees can be represented in trade unions and how they can enter the formal labour market in the entire MENAT region.

## Biographies of Authors:

*Wassim Rifi*

*Region Project Coordinator, BWI MENA*

Wassim Rifi, currently BWI MENA project Coordinator, was born and raised in Northern Lebanon. He has a teaching background but has since worked for the Lebanese Ministry of Education and Higher Education, appointed as activities coordinator working with Save the Children, UNICEF and UNHCR.

In 2008, Wassim began working with the Building and Wood Workers International (BWI). He develops and coordinates projects aiming at building strong unions, building capacities of workers in a rapidly changing social and economic environment, and helping trade unions in the BWI family to organise local, migrant and refugee workers into trade unions.

## LIFESHELTER

### RETHINKING REFUGEES IN EACH STEP OF THE VALUE CHAIN

By Jens Odgaard Olsson, CEO, Lifeshelter

*Presented at the workshop on the role of the private sector in economic integration of refugees (Paris, June 11-12, 2019)*

Each year the number of internally displaced persons and refugees are increasing. UNHCR estimates that in 2018 68,5 million people were forcibly displaced.

For people in distress shelter is the biggest concern after food and water. And each year more than half a billion USD are used in humanitarian shelter programs.

In addition to these numbers more than half of all refugees are the age of 18, leading to a huge need in schooling and hence adequate facilities for early child education, proper schooling and vocational training.

Lifeshelter is the preferred solution for temporary communities. The structures have been set-up in 8 countries over the last 6 years and show an innovative approach to establishing sustainable communities.

Lifeshelters were originally designed as a low-cost shelter solution aimed at families in refugee camps and settlements. However, as the structures can easily be modified both scope and sizes has been broadened and they now serve many different purposes even though we keep refugees as the main beneficiary for the structures.

Lifeshelter is a unique shelter design characterized by three main drivers; best living conditions for people, most environmentally sustainable solution and delivering more value herein a significant multiplier impact on the local economy. The latter is achieved by local sourcing of

materials, local business partners and vocational training of local employees all in all delivering up to 80% of total project costs locally.

Lifeshelter was founded in 2012 by Architectural Engineer Jakob Christensen and Architect Claus Heding. During the first four years the team developed, tested, and optimized the durable panel-based shelter solution, which became the Lifeshelter. The development phase was finalized in May 2016.

It soon became evident, that although the product was very well-received, the price of a Lifeshelter was higher than the price of a tent, and well above the target price of the market. Henceforth, a partnership with Danish Refugee Council was established to investigate the possibility of producing the shelters locally at a lower cost. Changes in both material compositions and production methods revealed a great potential for both local production opportunities and lowering the price.

In August 2017 the locally producible shelter v2.0 was launched, and it immediately received a lot of positive attention.

Currently Lifeshelter is scaling up and commercializing the product. Lifeshelter Limited has been established in Uganda where the first commercial orders have been achieved. In addition to Uganda constructions are being commenced in the UK (shelter research program with Bath University), Somalia and Tanzania.

The main challenge is the classic chicken and egg discussion on the conditions to deliver on a larger scale, where 'standards' at times hamper innovation and create a feeling of inertia in the decision-making processes.

In addition, it is a challenge to ensure proper end-user feedback. Our shelters have been put up in very remote areas where we rely on communication that has to go through a number of partners (and hence filters) before we get a relevant overview of our results.

Over the last 6 years Lifeshelters have been deployed in 8 different countries both for testing, case materials and from 2018 as commercial products.

Currently there are structures at display in London, Copenhagen, Kampala and Dar es Salaam and Lifeshelter is on a journey now to commercialize the initiative.

In 2018 the company received new funding and more funds are being sourced to increase growth of the company, along with a more mature set-up around end-user engagement and feedback.

End-user feedback and user engagement is monitored and evaluated in close

contact with our clients and partners. In these partnerships we also explore the potential for local sourcing of materials, upskilling of local staffs to act as liaison partner with us as well as looking at alternatives uses and clients for the structures.

Our business model is highly scalable. All materials can easily be sourced, and local workers can be trained in the building techniques applied. We have developed a go-to market strategy where we focus initially on NGO's in East Africa and the Middle East, hereafter national government in Africa with focus on affordable housing for public workers.

Focus is on demonstration and sales in order to test our scalability as well as getting further user feedback.

A recommendation for others should be directed to those who create the framework for humanitarian innovation. Having worked extensively with innovation for +10 years there are many lessons that could be derived on a generic level and infused for the humanitarian setting.

## Biographies of Authors:

*Jens Odgaard Olsson*

*CEO, Lifeshelter*

Lifeshelter is the preferred solution for temporary communities. The structures have been set-up in 8 countries over the last 6 years and show an innovative approach to establishing sustainable communities. Lifeshelter is unique shelter design characterized by three main drivers; best living conditions for people, most sustainable solution and delivering more value herein a significant multiplier impact on the local economy. The latter is achieved by local sourcing of materials, local business partners and vocational training of local employees all in all delivering up to 80% of total project costs locally. Jens Odgaard Olsson is CEO of Lifeshelter and has a broad background from management positions in DanChurchAid, Arla Foods, Odense ZOO and other companies.

## INYENYERI AND UNCHR

### Selling Cooking Fuel to Refugees in Rwanda through a Fuel/Stove Business Model

By Valerienne Maltemps, Kigeme Camp Manager, Inyenyeri;

Eric Reynolds, CEO, Inyenyer

*Presented at the workshop on the role of the private sector in economic integration of refugees (Paris, June 11-12, 2019)*

The Kigeme Refugee Camp in Southern Province, Rwanda, is home to some 20,000 refugees who fled the Democratic Republic of Congo in 2012. It is operated by UNHCR, in coordination with the Government of Rwanda.

Previous wood distribution programs to deliver cooking energy were insufficient to meet the needs of many households, causing women and girls to need to go forage in nearby forests for fuel.

This high demand for firewood has had an immense impact on the surrounding areas, and is a common environmental degradation associated with refugee sites globally. In many areas, this has led to tensions with host communities and authorities.

Cooking with traditional fuels also has negative health impacts on its users and prevents them from engaging in more productive activities considering time spent for collection and cooking. Time spend collecting fuel also puts women and girls at increased risk for sexual assault and violence as they spent hours alone every day far from home.

Finding a cleaner, more sustainable, and yet affordable alternative to traditional fuels is therefore a vitally important health, safety, environmental, and climate concern.

The goal of this project is simple: entirely replace the old way of cooking in Kigeme

camp, in all 3,800 households. This would require an intervention that both provided an alternative to everyone that wanted it, as well as sufficient motivation for resident families to want to use it.

In 2016, the UNCHR pioneered an innovative, market-based solution that essentially treats refugees as customers for clean cooking. A private company—Inyenyeri—was engaged to market fan gasifying stoves and biomass fuel pellets into 300 households. The pilot was an immediate success, and with support from the IKEA foundation and other stakeholders, plans were put in place to reach every household.

The Inyenyeri Fuel+Stove system combines locally made renewable wood pellets with a fan powered gasifying stove to provide a clean modern cooking experience. This fuel based model was built over six years and five different stove types, and is the result of intensive study of hundreds of previous clean cooking interventions. What became clear through that process is that the stoves poor people can afford aren't really clean, and the ones that are clean poor people can't afford.

Inyenyeri gets around that obstacle by leasing best-in-class stoves to customers for free, in return for them agreeing to buy and use the fuel Inyenyeri manufactures. The stoves come with a lifetime guarantee and warrantee, so if they are ever broken

or stolen, they are repaired or replaced for free on the spot.

This approach aligns the interest of the company and customer—rather than trying to make every penny on the cheapest possible stove, Inyenyeri is only successful if the customer is happy with and uses the stove.

The project is built on Inyenyeri's existing inclusive-by-design model, wherein every home no matter how modest the income can have the same best in class clean cooking experience

Outside the camp, fuel pellets are purchased either with cash or traded for raw biomass. The pellets are sold at a price that, at scale, will return positive margins for Inyenyeri, while still offering significant value to customers.

For customers who are buying, they save about 30% over the cost of charcoal, and about half the price of LPG. For customers who are trading, they need to only collect about half as much as they did previously, and so save 1-2 hours every day.

Inside Kigeme, residents receive an unrestricted cash transfer every month from the UNCHR to buy pellet fuel. The amount is based on their household size, at a level high enough to allow them to buy enough wood fuel pellets to cook for the whole month. They can purchase fuel at one of two shops located within the camp; all households are within 500 meters of fuel.

In 2017, Inyenyeri signed an Emissions Reduction Purchase Agreement with the World Bank to sell them 1M carbon credits, and in 2018 registered a CDM POA with the UNFCCC that formally recognizes wood pellet usage as a proxy for carbon reductions. This meant the Kigeme project could monetize CO2 reductions immediately, drawing resources to the project. IKEA Foundation provided seed funding for the stoves, and

the Government of Belgium provided funding for the cash transfers.

As of April 2019, Inyenyeri is now serving just under half of all households in the camp, with a 95% adoption rate, and is on track to reach all households by end of the year. Of the households that have adopted it, 99% are still customers a year later, and fully 99% are using their entire cash transfer monthly exclusively for fuel purchases. Thirty camp residents have received well compensated jobs with benefits working for Inyenyeri, as customer service representatives and service technicians.

The impacts from such broad and sustained adoption have been significant. Wood pellets reduce household air pollution by 99% as compared to cooking with charcoal, and reduce the amount of biomass needed by 90%. That means cooking this way leaves homes and clothes cleaner, cutting water usage by as much as half.

Recent independent field studies by NC State University have confirmed that the Inyenyeri Fuel+Stove system is WHO Tier 4/5 for cleanliness, the highest of any biomass fuel system and almost identical to the household air pollution profile of LPG.

The result then is a marked and sustained improvement in Household Air Pollution (HAP) and related health issues, as well as improvements in time poverty. And since they are no longer foraging for wood, the project is also keeping women and girls safe.

The project remains very popular, even while struggling through occasionally delayed cash transfer payments. *“With Inyenyeri, I can cook inside my house while having guests; there is no smoke and cooking is much faster,” one resident customer told a visiting official. And according to UNHCR Livelihood Officer*



Jakob Obster “the feedback from the refugees on the Inyenyeri solution has been nothing but positive.”

Perhaps equally important to the clean cooking has been the overall increase in energy access. Because every stove has a battery-operated fan that needs to be recharged, every household gets a free solar pane with their stove. The panel is equipped with a USB port, so after charging the stove they can use it for other things, like charging a mobile phone or rechargeable LED lights.

What this means is that Kigeme may well be the only refugee project in the world that is offering all three legs of the energy access stool—light, power, and heat—through a for profit model.

All of this improvement is surprisingly affordable; it only costs the UNHCR \$.05 per person per day to deliver these improved outcomes.

Right now, some \$40B is spend on charcoal every year in Africa, causing terrible health, environmental, and climate impacts. That also means there is tremendous built up demand for alternatives that are cleaner, easier, and more affordable.

The Inyenyeri business model delivers all that and more, and was designed for long term operations and large scale. As the pellet plants get larger and stoves more efficient, costs come down further while also lowering demand on resources, creating a flywheel of value generation. The only barrier to achieving that is upfront capital to build the plants and buy the stoves.

As resources become available, Inyenyeri will scale to other camps, while also expanding reach to urban and rural areas. Plans are also being developed for franchise operations to be established in other countries throughout sub Saharan Africa.

## Biographies of Authors:

*Valerienne Maltemp*

*Refugees Camp Field Manager, Inyenyeri*

Valerienne is Refugees Camp Field Manager at Clean Cooking Company of Rwanda DBA Inyenyeri, a clean cooking fuel utility company headquartered in Kigali, Rwanda. The company provides clean cooking stoves and renewable wood pellet fuel to customers throughout Rwanda. Valerienne opened a shop in Kigeme Refugee camp since August 2016 and has managed all its operations from pilot phase to the scale up to the entire population of Kigeme Camp. In this role, she supervises a team of over 25 employees at field level, and manages relationships with donors and partners like IKEA Foundation, UNCHR, Government of Rwanda, and more.

Prior to Inyenyeri, as graduate of Rwandan Presidential Scholarship in Civil Engineering at California Baptist University, Valerienne served as Teaching Assistant at University of Rwanda where she taught courses of Environmental Studies and Buildings Maintenance.

*Eric Reynolds*

*Founder and CEO, Inyenyeri*

Eric is founder and CEO of Inyenyeri FPC, an Oakland, California based company which operates a subsidiary clean cooking fuel utility company in Rwanda. Eric is a successful serial entrepreneur whose companies—Marmot, Sweetwater, and Nau—have each helped redefine their industries, and have established excellent customer service as a hallmark of everything they do. Eric visited Rwanda eleven years ago to work on a genocide survivors project, and became obsessed with solving the Gordian Knot of clean cooking. He has lived there for almost a decade, and lives in Kigali with his wife and two sons.

## ISS SERVICES A/S

### WHY WE HIRE REFUGEES, A COMPANY PERSPECTIVE

By Simon Sami Dalsø, Regional Manager, CSR and Job Development, ISS Facility Services A/S

*Presented at the workshop on the role of the private sector in economic integration of refugees (Paris, June 11-12, 2019)*

ISS (the global leader in services such as cleaning, catering, security etc.) has been engaged with promoting refugee employment for more than 20 years and has made it a priority to support people on the edge of the labor market. More specifically, ISS offers a job development program for refugees, matching their talent with vacancies at ISS or other companies. This provides ISS with an early recruitment access to a great amount of very motivated people, whilst offering a service which is in high demand amongst municipalities and companies alike. 56 per cent of all refugees completing the integration-process has ended the course with an education enrollment, a fulltime- or a wage subsidized job. In addition to helping others on the edge of the labor market, offering this opportunity to refugees has made it possible for ISS to positively contribute to the Danish society with an overall economic gain of more than € 5.41 million. In the wake of the recent refugee-crisis, the demand for ISS' services in promoting refugee employment has increased significantly. As an initiative that positively contributes both to the Danish society and to ISS, ISS is eager to continue the programs.

The ISS refugee program was developed to:

- increase the talent pool available to ISS,
- positively contribute to Danish society by improving employment rates
- reduce the number of people dependent on social service
- provide refugees with increased life-quality through greater confidence, independence and integration.

Beyond these benefits, the ISS refugee program is also of great importance to the company's diversity. With more than 100 nationalities, ISS can proud itself to be a truly diverse company, a trait that has proven to increase company productivity and consequently be of benefit to all actors involved.

Furthermore, in providing the ISS refugee program, ISS is contributing to the wider community through the mapping and pairing of refugee capabilities with other Danish companies. The overall goal is for the refugees to get a job, by quickly mapping and pairing their competencies with relevant companies.

The overall results for refugees are remarkably stronger than for other groups of people at the edge of the labor market receiving assistance from the ISS programs. In estimating what lies behind this strong performance one key-indicator

stands out: motivation. Eager to leave the past behind and get a new start in a different country, refugees are highly motivated to engage with and make the most of the ISS program.

ISS is quite unique in being the biggest service provider in Denmark, while also having an internal consultancy, the CSR and Job Development department, whose primary task is to support people on the edge of the labor market in their search for employment. The set-up is generally referred to as the ISS-Model.

The in-house consultancy's sole direct client is the Danish municipalities. Since starting the initiative 20 years ago, ISS has increased the number of municipal partners, currently working with 20 out of the 98 Danish municipalities.

Partnering with the municipalities each refugee entering the ISS job development program are assigned an ISS-consultant. Through the tailor-made ISS clarification process the challenges and capabilities of each refugee is mapped, taking into consideration earlier education, work experience and the wishes of the refugee. This is one of the key ingredients in the success of the ISS job development program for refugees. The refugee and consultant perform 1-4 weekly

with the overall goal of mapping the refugee talent and matching this talent with a company-internship.

The challenges in this process is often the language barrier. When necessary the meetings between refugee and ISS-consultant are completed with the presence of an interpreter. Additionally, as a part of the program refugees are assigned a Danish course enabling them to build a basis for communication on the job. Moreover, if the refugee is matched with a job within the ISS organization, the existing diversity of ISS enables a further match with an ISS native-speaking employee. The employee is assigned as a mentor to the refugee to ease integration and communication on the job.

An additional challenge is to accommodate the independent needs of the refugee. Overall for about 20 per cent the sole problem is unemployment. The remaining 80 per cent may have other issues and needs as a result of their current situation. This is primarily covered through the preliminary conversations, enabling the ISS-consultant to find a relevant internship-match that can accommodate these needs.

Based on this approach, more than 90 per cent of the refugees entering the program



conversations within a four-week period,

will secure an internship. The internships

are typically of a 13-week duration. During this period the refugee and consultant have a number of close follow-ups and conversations on how things are progressing for the refugee. The conversations cover topics ranging from job-satisfaction and whether there is an overall sense of the internship leading towards a full-time or potentially a flex-job, with the municipality stepping in to subsidize the refugee salary.

The key lessons learned for integrating the refugees in the work-force is trust and communication. It is key that the refugee and ISS-consultant remain in contact throughout the period, that the internships are tailored to the refugee needs and that any potential obstacles to smooth communication are mediated and tackled as quickly as possible in the process.

The key outcomes have been that 56 per cent of the refugees completing the program has landed a job or started an education, easing the economic burden on the Danish society and positively contributing to the integration of refugees into Danish society. Furthermore, it has given ISS a positive reputation as an “integration motor”, as landing a job is one of the most important parameters in successful integration.

The insights gained from the ISS program has also tuned the Danish societal attention to the importance of a quick

facilitation of contact between refugee and companies in want of talent. This has proven to be of the utmost importance to increase the refugee job probability.

For ISS as a company the initiative has also resulted in an extremely loyal work-force. Having the necessary patience to assist the refugees in finding their place in Danish society – and potentially within the ISS organization – has led to an invaluable loyalty towards ISS both as a company and as a brand.

Having been in existence for more than 20 years, ISS is sure to continue its work to support people on the edge of the labor market. Furthermore, ISS is eager to expand the cooperation with more municipalities.

The most enduring challenge for ISS is to keep the success rate of refugee-employment growing. With only a little more than half of all refugee participants landing a job, there is still room for doing even better.

This being said, it is ISS’s most earnest recommendation that other responsible companies reach out to refugees and with patience assist them in finding their way into society. The loyalty, commitment and diverse workforce, you as a company will gain in return is good not only for society but for your business as well.

## Biographies of Authors:

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Since 2011 Simon has worked within the field of public private collaboration, public outsourcing and Public Private Partnerships (PPP). Since 2016 as a practitioner being Head of Public Tenders and Regional Head of CSR & Job Development in ISS Facility Services A/S. As Regional Head of CSR & Job Development Simon works closely with Danish municipalities on integrating refugees into the Danish Labour Market by developing

programmes addressing the needs of companies with the qualifications and experience of the refugees settled in Denmark. Simon holds a MSc in Economics from The University of Copenhagen and The National University of Ireland with a specialization in Macroeconomics and Development Economics.

## PALLISER FURNITURE

### PALLISER FURNITURE'S EXPERIENCES WORKING WITH REFUGEES IN CANADA & MEXICO – A LEARNING JOURNEY

By Art DeFehr, CEO, Palliser Furniture;

Florian Hoepfner, Durable Solutions Officer;

Regina María Saavedra, Associate Durable Solutions Officer, UNHCR Mexico

*Presented at the workshop on the role of the private sector in economic integration of refugees (Paris, June 11-12, 2019)*

In the past, migrants arrived in Mexico seeking economic opportunities or to be reunited with their family in the USA. In the last few years, however, an increasing number of people are fleeing Central America with the intention to remain in Mexico, seeking international protection as refugees. The number of asylum-seekers in Mexico in 2018 rose 103% in comparison to 2017, from 14,596 to 29,623 and the upward trend is likely to continue. The majority of asylum-seekers arrive to Mexico from Honduras, El Salvador and – to a lesser extent – Guatemala through the southern border, the most common reception point being Tapachula, Chiapas. Chiapas has the highest poverty rate in the country and less than 30% of jobs are in the formal sector.

In response to the increasing arrivals of migrants and refugees as well as the limited economic opportunities and security conditions in these southern border areas, the United Nations High Commissioner for Refugees (UNHCR) has implemented and is looking to scale up a local integration program with private sector companies in Mexico. The program relocates asylum-seekers and refugees from southern Mexico to central and northern states, where there are

greater opportunities for social and economic inclusion due to a booming industrial sector.

Palliser Furniture has participated in the local integration program as an employer. Through this experience, both Palliser and UNHCR have identified the need to better prepare potential candidates for work in Northern Mexico with training and orientation, based on business needs. Palliser's experiences in Canada, where it has a long and rich history of working with newcomers and immigrants. In 2019, UNHCR and Palliser are planning on expanding on their current collaboration, drawing on good experiences and practices from both organizations to develop a more efficient and effective program (both for asylum-seekers and refugees as well as for participating companies).

The local integration programme has the objective of integrating people with international protection needs into formal employment as soon as possible, allowing them to participate in the local economy as workers, consumers, tax-payers and contributors to social security, while ensuring their access to decent work and a sustainable income.

Since August 2016, UNHCR has relocated and supported over 1,926 asylum-seekers and refugees to Saltillo, Coahuila; Guadalajara, Jalisco; and Monterrey, Nuevo León through the local integration programme. 50% of the existing participants are from El Salvador, 36% from Honduras, 7% from Guatemala, 3% from Venezuela, with the balance from Colombia and Nicaragua.

The program also has the potential to provide benefits to the companies who employ refugees. There is a constant and growing demand for labour in these industrialized cities of Mexico, in addition to high turnover rates of local employees. Companies spend considerable time and resources hiring staff and training them for their jobs. This cost is increased with staff leave their jobs after a few weeks or months. Companies are looking for solutions and this challenge is recognized as a significant barrier to greater economic and social development that companies and state actors want to solve. An integrated and stable work force in the north would help companies meet their labor needs and a diversified and committed workforce of new arrivals will help the integration of these newcomers and the creation of stronger communities.

UNHCR has worked with 42 employers, from large, medium and small companies. Of the nearly 2,000 persons relocated to Saltillo, the largest employers are industrial manufactures facilities including MABE and Lennox. Palliser Furniture hopes to increase the number of refugees employed through the programme. Smaller numbers of participants work at Al Super supermarket a local hotel and by the end of 2018, four refugees had secured additional income through UBER.

UNHCR supports asylum-seekers and refugees with capacity-building, humanitarian assistance, psychosocial and legal support including for migratory

documentation on the southern border, where potential participants of the local integration program are identified. Participants are supported with transportation via bus to Saltillo, Guadalajara and Monterrey (depending on their profile), where they are then provided temporary housing, a one-off cash grant for the first month's expenses, and orientation to help them settle in in their new city. During the first week in the program, UNHCR connects participants with education and employment opportunities. UNHCR then provides follow-up counseling and supporting through bimonthly household visits to participants over the course of one year. Eligible participants are also supported with family reunification and after two years of permanent residence in Mexico, naturalization. The local integration program has been a success due to the collaboration with state and municipal government, civil society partners, and the private sector.

The program is also made possible by the favorable legal framework in Mexico for asylum-seekers and refugees. People recognized as refugees by the Mexican Government have the right to permanent residency, which ensures their economic, social and legal rights in Mexico including the right to work. However, before being recognized as refugees, there are some important challenges for asylum-seekers during the asylum procedure. Asylum-seekers can apply for a Visitor's Card for Humanitarian Reasons, which grants the right to engage in remunerated activities (without this card, they do not automatically have the recognized right to work). By law, they must remain in the state where they applied for asylum until the procedure is completed (in practice, this may take around four months). Due to this context, when the local integration program began in 2016, UNHCR focused on supporting asylum-seekers in Chiapas through



humanitarian assistance and other support, and relocating recognized refugees once they completed the asylum procedure. However, over time (and particularly in response to the caravans that have been arriving since 2018), there has been increasing cooperation with the government to ensure access to documentation and freedom of movement to the population. UNHCR is now relocating asylum-seekers with Visitor's Cards for Humanitarian Reasons, which will speed up their local integration process while they continue their asylum process in Saltillo, Guadalajara and Monterrey. This is of great impact to the population, who previously would have had much more time out of the workforce and therefore a more difficult time integrating once recognized as refugees.

In terms of challenges, corporate partners have identified that staff retention is a problem, with both Mexican nationals and relocated asylum-seekers frequently changing jobs. UNCHR has been evaluating the conditions and reasons for turnover within the asylum-seeker and refugee population, as successful integration implies that relocated people have the skills to succeed in their work. Most Central Americans have not worked in a formal wage-earning job, in particular in the industrial sector where there are strict working hours and expectations. Psychosocial support as well as child care options, transportation, meals, and other benefits can contribute to retention of participants.

Since 2016, UNHCR has relocated nearly 2,000 asylum-seekers and refugees to Saltillo, Guadalajara and Monterrey (38 in 2016; 114 in 2017; 516 in 2018; and 1,258 in 2019). UNHCR plans to continue expanding the program, with a target of 3,700 people relocated in 2019. Based on UNHCR monitoring, 86% of those relocated remain in Saltillo. Another 10% have moved to another city in Mexico (where they have family members or have

found other labour opportunities), and 4% have presumably left the country (several with family ties in the United States). After one year in the program, almost 60% of the refugees have graduated out of poverty (earning an income above the national poverty line). All working-age adults have been linked with job opportunities, 91% of working adults have social security, and all school-aged children have been enrolled in school. Three refugees have been supported with University-level education. Four participating families will qualify in 2019 for a government-subsidized housing credit scheme and are planning to become home-owners. Impact is measured through a questionnaire that is applied during bimonthly household visits.

The goal is also to replicate the model in other spaces and to improve the population's integration into the local workforces. The sustainability of the program depends on the involvement of new actors, including the private sector to improve the employability and retention of participants. The training and orientation program that UNHCR and Palliser are planning to implement needs to be further defined and developed in order to help asylum-seekers and refugees adapt to industrialized work. This training needs to take into consideration the trauma and stress that asylum-seekers and refugees have experienced and continue to suffer. The program also needs to address work in factories, with structured hours and repetitive tasks; the working culture and environment; and the benefits of formal employment. Post-relocation, UNHCR and Palliser will work together to evaluate the current system of post-placement monitoring, follow-up support, mentorship and benefits provided by employers to ensure that the relocated population flourish in their new environment. Increased involvement of employers such as Palliser is essential to ensure that the model works for the

private sector, providing a benefit to the participating companies and the local economy.

In the long-term, ongoing collaboration with the government will also be essential to ensure sustainability and scale of the program. Increased participation of the Mexican Refugee Commission

(COMAR) and the Ministry of Employment (specifically the National Employment Service) could help transform the program into a public policy that benefits refugees, migrants and the local population alike through job matching and relocation programmes nation-wide.

## THE DANISH FOUNDATION FOR SOCIAL RESPONSIBILITY

### NEIGHBORHOOD MOTHERS – WOMEN IN JOB

By Thit Aaris-Høeg, CEO, The Danish Foundation for Social Responsibility

*Presented at the workshop on the role of the private sector in economic integration of refugees (Paris, June 11-12, 2019)*

Public finances are under pressure, and there is a great need to rethink both the development and financing of new welfare models. In Denmark, many refugee and immigrant women live in isolation, without contact with the public system, without networks outside the family and without job and education. Several of these are also exposed to domestic violence or negative social control. This affects not only the woman but the whole family and the Danish society. A Danish study points out that up to 80,000 refugee and immigrant women in Denmark need a Neighborhood Mother.

In the Danish Foundation for Social Responsibility, we help refugee and immigrant women through our peer to peer program “Neighborhood Mothers” to become part of the Danish society, so that we can improve their and next generation's opportunities to become well integrated and self-supporting. We work with empowerment, family structure, health, cultural differences, education gap and job preparation.

The initiative is run professionally in the Danish Foundation for Social Responsibility and is supported by 800 volunteers (Danish-speaking immigrant women) organized in local communities across the country.

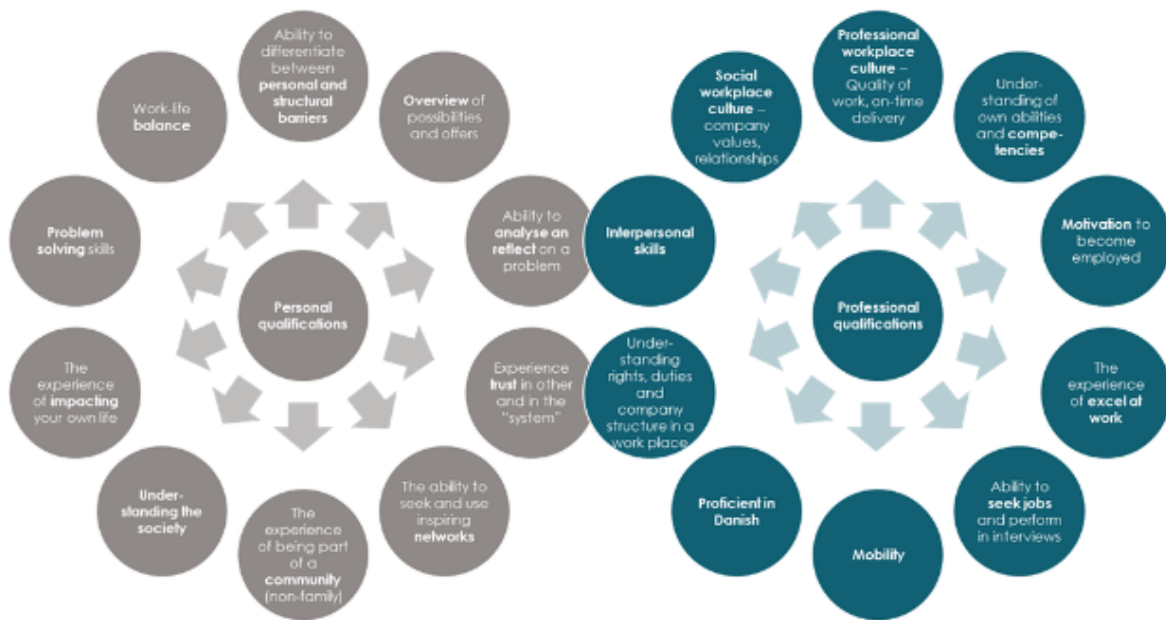
The initiative acts as a social enzyme between the public, private and civil society and cooperate with the municipalities, the state and the private

companies and the initiative has both human and socio-economic perspectives.

We have worked with our concept “Neighborhood Mothers” for the last ten years and therefore we have in-depth knowledge of the target group. For the past two years, we have worked purposefully to build a social impact bond, which must specifically get the women into work. We aim to start this program in as many municipalities as possible 1/9 2019.

The concept “Neighborhood Mothers” itself was developed, on the basis of a request from the Danish Ministry of Integration.

Our goal was to create a community-based program that was driven primarily by volunteers. We wanted our education and training to allow the women to participate actively in their communities, get in touch with the public system, get closer to jobs and education, and not least enable them to help other women who come to the country. We work according to the following model:



Building up the personal foundation for the vulnerable women through empowerment:

- Building up network – social and professional
- Building up knowledge about society
- Encouraging the women to take action
- Creating safe spaces for reflection - Reflection on all kinds of dilemmas due to be a woman, a mother and a citizen.

It is the secretariat of the Danish Foundation for Social Responsibility who educates and train the women and subsequently it is also the secretariat that is the back office for all the local associations that carry out the daily volunteer work.

From the start, the biggest challenges have been to recruit volunteers and to make the local associations work independently. However, this is exactly what we have become super good at - after 10 years. Our Neighborhood Mothers are now organized in 50 associations in 30 municipalities and they speak together in addition to Danish - 56 different languages.

In our social impact bond job program, it is the Danish Foundation for Social Responsibility that builds a bridge between the companies, the municipality, the women and the investors. The job program is based on the Neighborhood Mothers' basic education, which, however, has been expanded with job-oriented teaching and internship. In addition, anchoring and retaining the women is ensured through the voluntary concept that job seekers become part of locally.

The biggest challenge in the job program has been the municipalities' willingness to invest. Not because there is no money for it or because they do not think the program is good, but because they find it difficult to understand the thinking behind social investment, and also think it is a bit difficult. One of the biggest barriers is that the savings occur in one department in the municipality but must be paid from another.

Social investments as a concept and method is new in Denmark, and most municipalities are still talking about the social investment programs as an expense instead of as a saving. Many municipalities also do not understand the idea that an investor runs the financial risk for them. They are accustomed to taking

responsibility themselves - even for all those they do not succeed in - and whatever it costs.

Our Neighborhood Mothers will continue to work as a voluntary organization. Our large social impact bond job project is also being launched but initially on a much smaller scale than we first had ambitions for. Our pilot projects that precede the actual start-up of our ordinary job processes have gone really well which means that we have got 20-30% of the women in the job program in work. These women have never been to the labor market before and several of the municipalities, we cooperate with, have a hit rate of 0 with the same target group. It is easy to measure the effect of the program. Either the women come in jobs or they don't. Our initiative changes normal practice by combining a job-oriented effort with voluntary community-based work, as well as adding an investor who runs the risk for Danish municipalities. This gives (if the municipalities say yes) the possibility of a previously unseen scale which in the long

term can really remedy many kinds of welfare challenges

As previously stated, we have to start less ambitious than we first thought (because of the municipalities), but we will get started and there is no doubt that the program in the long term is scalable either as a social investment or as a second player offer to the municipalities. We recommend that, if you are an NGO or another kind of entrepreneur outside the public system, ask for advice from us or someone who has tried it before and ask the municipalities up front to check if they are really interested in the product / method and in social investments before you build a big project, otherwise it will be both expensive and resource-intensive to build a social impact bond and you have to be aware that most investors are not willing to pay for development, start-up and transaction costs as well as they would like to see concrete results before they invest. Maybe you will need philanthropic financing in the beginning, which further delays the process. It takes up to 2 years to build a social impact bond.

## Biographies of Authors:

*Thit Aaris-Høeg*

*CEO, Fonden for Social Ansvar*

Thit Aaris-Høeg has extensive experience in setting up and executing on intervention programmes. Thit has been the CEO of Fonden for Socialt Ansvar for the last 4,5 years and specializes in building and rebuilding organizations. In addition, for many years she has worked as a manager/leader with both development, financing and operation of major projects both in the private and public sector. She is highly entrepreneurial and has many years of experience in cooperation between the public sector, the private sector and civil society. She has previously worked for many years as a manager/leader in both the private, the public and the civil sector.