

# Lessons from refugee entrepreneurs; starting a business in a refugee camp

*Fleeing the war in South Sudan, Salome Chandra trekked for two months with her six children to Uganda—carrying her youngest, a one year old, on her back. When she arrived at the Bidi Bidi Refugee Settlement in Uganda, she was given a bag of rice, a bottle of oil, and a small jug of water—and that was it.*

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But despite the enormous challenges she faced, Salome rebuilt her life in Uganda. She—and thousands of other refugees—have found success by launching their own businesses within refugee camps. Their determination is inspiring, especially to those who are beginning their journeys as first-time entrepreneurs.

## DREAMS for Refugees

Today, approximately 6.6 million refugees live in refugee camps globally. In theory, refugee camps are meant to be a temporary solution to accommodate people fleeing violence or persecution in their home countries. But often these temporary solutions become more permanent as families have no other choice but to continue living there for years or even decades. Because there are extremely limited opportunities to find work in refugee camps, most refugees find themselves totally dependent on intergovernmental organisations, like the UNHCR, host communities, and NGOs to provide the basic necessities they need to survive.

In Uganda, the Bidi Bidi Refugee Settlement is home to approximately 270,000 people. In order to better serve the refugees living in extreme poverty in Bidi Bidi, *Village Enterprise—a nonprofit dedicated to ending extreme poverty in rural Africa*—has combined forces with Mercy Corps to equip Bidi Bidi refugees to build livelihoods and, ultimately, become self-reliant. Through business training and mentoring, seed capital grants, and market systems development, our DREAMS for Refugees model provides refugees with a route out of extreme poverty and gives them agency to transform their own lives as they launch sustainable businesses.

## Launching a business for the first time

Like any business, access to startup funding is crucial for the refugees at Bidi Bidi. After going through unfathomable hardships and traveling great distances to find safety for themselves and their families, most refugees arrive with very few possessions. Many have only the clothes on their backs. Without a way to earn an income, refugees find themselves in a hopeless situation.

After completing nine weeks of business and financial literacy training, the individuals in DREAMS form into business groups of three people and develop a business plan. They are then provided with a \$180 seed funding grant to put their business plan into action.

Like entrepreneurs everywhere in the world, first-time business owners like Salome often face challenges in connecting to markets and value chains. To help entrepreneurs succeed, our partner, Mercy Corps conducts market assessments to identify high-opportunity value chains and onboards private sector investors and distributors. By connecting DREAMS entrepreneurs like Salome directly with buyers and sellers, we are able to ensure their businesses have every chance to thrive into the future.

Salome's business plan included setting up both a retail business and an agricultural enterprise. After taking time to understand the market and available resources, Salome knew she would be able to yield a profit and have a diversified income stream.

And she was right—the income she earned from her businesses would change the trajectory of her life and the lives of her children.

## Scaling up

As part of our business mentoring, we encourage the first-time entrepreneurs we serve to diversify their business. Diversification helps to protect a business from market fluctuations and unforeseen environmental challenges. In sub-Saharan Africa, where families living in extreme poverty are extremely vulnerable to global shocks such as climate change or the economic repercussions of a pandemic, diversification helps build resilience for the entrepreneurs and their households.

To continue diversifying, Salome invested her revenue into livestock. She bought a goat, which she then went on to breed. This allowed her to further diversify her agriculture business into cassava, from which she was able to buy more land. With more land and increased business responsibilities, Salome hired two other people who were living in poverty to help her with her agriculture business. The significance of this milestone cannot be overstated; the ripple effect of Salome's seed grant has grown to support a number of families, who would otherwise rely solely on humanitarian aid.

Her success has been transformative. With her profits, she was able to purchase two acres of land. And she is able to pay school fees so that all six of her children can attend school. Her success in business has also allowed her to provide for five other children who were separated from

their parents and have become part of her household.

## Igniting the entrepreneurial spirit

No matter where you live, starting your own business is a transformative experience. By igniting the entrepreneurial spirit we instill in refugees a sense of hope for the future and confidence that they can build a better life for their children.

Salome is just one of the 4,800 refugees in Uganda that we have equipped to become successful entrepreneurs. But there are millions more in Uganda and around the world who just need an opportunity like DREAMS. It's through the power of entrepreneurship that the large, and growing, number of refugees living in extreme poverty can become self-reliant, financially independent, and ultimately flourish.

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