

**FAIRE - Fund for Action and Innovation by Refugee entrepreneurs.**

**A French endowment fund that supports refugee entrepreneurship and refugee-led startups.**

### **Background**

FAIRE was launched in France in 2018 by Nick Nopporn Suppipat, a successful Thai entrepreneur and political refugee. He launched FAIRE to create a structure that offers early pipeline support to refugee and migrant entrepreneurs, from ideation to hard launch.

After an initial exploratory year, where the fund developed its identity and confirmed the course of action it wanted to take, 2019 saw FAIRE establish its early-stage pipeline strategy with three flagship programs that continue today: donations, loans, and advocacy.

### **Vision**

FAIRE firmly believes refugees represent a pool of untapped talent and that their capacity for innovation can be a real opportunity and source of momentum for France's growth and that of the wider economy.

We are committed to not only supporting refugees and bringing their business ideas to life so that they may achieve their entrepreneurial goals, but also to change the narrative around migration.

We seek to embody and demonstrate Impact, Inclusion, Innovation, and Integrity in every one of our actions.

### **Context**

If today it is commonly accepted that 2015 marks the year the ongoing "migration crisis" started, the reality is migration, whether forced or voluntary, has been commonplace for decades. In 2018, for example there were 6.5 million immigrants living in France—9.7% of the total population.

While immigration has been present for decades, there has been a steady increase in asylum requests in France since 2013. According to the OFPRA (Office Française de Protection des Réfugiés et Apatrides), asylum requests reached a

total of 93 475 for France. Requests peaked in 2018/2019 and have subsequently abated somewhat.

This increase, combined with Covid-19 related economic slowdowns and a consistently high unemployment rate at 8%, is resulting in growing hostility towards refugees and migrants. In fact, 42% of French citizens felt closing borders to refugees was a good idea.<sup>1</sup>

Migrant and Refugee entrepreneurs who wish to become active and productive members of society also find themselves facing practical roadblocks that local entrepreneurs avoid including: Limited access to finance since with no local credit history they are refused loans and often are refused by mainstream banks; they may not have a sufficient grasp of the language to "wow" investors at pitch presentations; and they have lost their professional and social networks, thus miss opportunities for finding associates and grants.

### **FAIRE's Flagship Methodology**

In just under three years, FAIRE has successfully piloted and launched three key programs.

#### **1. Supporting pipeline creation via Donations:**

FAIRE's focus is on incubator programs that support the early stages of business creation (from ideation to soft launch). We currently collaborate with well-known sector NGOs such as PLACE, SINGA, and makesense and have supported Techfugees' entrepreneurial initiatives. FAIRE's donations have supported over 300 aspiring entrepreneurs and seen over 85 projects incubated.

#### **2. Providing loans and individualized accompaniment for early-stage launch:**

FAIRE offers 0% interest loans to entrepreneurs from a forced migration background based on the following criteria: Both entrepreneur and business based in France and scale objective SME at a minimum. FAIRE is open to any sector of activity, country of origin, race, religion, gender and/or sexual

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<sup>1</sup> 2019 IPSOS study "Perception des réfugiés en France : où en est-on ? »

orientation. Since its launch, the loan program has supported startups in several sectors including metal recycling, business intelligence, EdTech, MedTech, journalism, FinTech, and SportsTech. We support entrepreneurs from Iran, Guinea, Rwanda, Afghanistan, and Côte d'Ivoire, and we in 2021 are pleased to welcome our first woman to the program.

### 3. Changing the narrative via research and advocacy:

In 2019 FAIRE launched [a study](#) with the Centre for Entrepreneurs in the UK to survey the refugee entrepreneur incubator sector across the globe. A [French version](#) was published in 2020.

#### **Unique Positioning**

FAIRE is an endowment fund that has a new take on Venture Philanthropy. We are the only fund that supports refugee entrepreneurs across all levels of the ecosystem - from ideation to hard launch of their business.

Our innovative approach blends philanthropy, entrepreneurship, and investment strategies, offering a range of different types of funding, coaching, and mentoring. Our methodology works:

- The number of eligible entrepreneurs is increasing, and project quality is improving (close to 15 applications for our 2021 jury, up from 3 in 2019).
- One loan fully reimbursed; the entrepreneur has been refinanced.
- Our first entrepreneur starting repayments as per schedule in 2021; their sales growth January to June 2021 was over 100 %.
- One of our 2021 lendees had over 200K€ of transactions within 2 months of their application launch.

In recognition of FAIRE's significant contribution to the French ecosystem, it joined the Lab'R board of directors for the DIAIR (French Interministerial Delegation for the Welcoming and Integration of Refugees).

#### **Goals & Objectives Moving forward**

To leverage our current impact, we are looking to grow our funding capacity so that we may:

#### Ensure the early pipeline phase with regular support to incubator programs.

By continuing to participate in entrepreneur selection and supporting training curriculum where necessary, we can ensure entrepreneurs with large-scale startup ideas make it past this stage to launch. We want to ensure incubation opportunities exist throughout France.

#### Issue 10 new loans per year by 2024

FAIRE has doubled the number of loans issued each year since launch. Assuming a failure rate of anywhere from 30% to 50% (based on standard failures rates seen for startups after 2 years and 5 years respectively), we expect to have between 10 and 20 entrepreneurs under management per year by 2024.

#### Grow our Advocacy program

We aim to develop a Refugee/Migrant Entrepreneurship Observatory that will report on the economic impact of refugee and migrant-led businesses. We will initially focus on France, where this type of information is not unavailable.

In addition to our current activities amongst which include publishing profile pieces on our entrepreneurs, we will operate one communication campaign per year with other sector actors to illustrate the positive socio-economic impacts that refugee and migrants bring to their host economies.

It will be important to implement an impact evaluation program to impartially evaluate, longer-term impact of incubator programs on social and professional inclusion of refugees and migrants, loan and accompaniment program effectiveness.

#### **Governance and Leadership**

FAIRE is a private endowment fund, registered under French law. In accordance with its statutes, it operates as both a distributing and operating fund, and endowments are spent down each year. FAIRE's Executive Director is Kristina Vayda.

Board of Directors:

Founder and President - Nick Nopporn Suppipat

General Secretary - Christopher L. Baker

Treasurer - François Mollat du Jourdin

#### **Contact**

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