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The following sections provides further step-by-step information on providing Business Development Support (BDS), as an example initially presented in [section 2.4.3](#).

## **Figure 2.5: Integrated selection, training and upscaling process for business development support**

### 1. Market assessment

- Private sector mapping
- Value chain analysis
- Rapid market assessment

Influences curriculum

### 2. Assessment of beneficiaries

- Skills and education
- Motivation

Pre-selection of returnees

### 3. Short-term training on business planning

- Mentoring by reintegration partners (such as MFIs and NGOs).
- Entry point for social reintegration through cooperation of returnees through collective projects, exchange of expertise and value chain integration.

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#### 4. Selecting the most promising and realistic business plans

- Assessment of best ideas in collaboration with MFIs, sectoral boards, NGOs and others.
- Nomination of most promising business ideas for additional support.

Negative

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Positive

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#### 5a. Enrolment in other economic reintegration measures

- Skills development/TVET
- Education
- Job placement

#### 5b. In-depth business development training and provision of adequate capital

- Training by mentors to beneficiaries to showcase feasible business models in similar communities.
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- Focus on filling technical gaps (basic accountancy, market research, legal requirements and access to capital).
  - Ensuring that sufficient capital is provided.

## 6. Inclusion of business incubators

- Provide technical training to fine-tune business models over time or to expand beyond the small business model.
- Create champions to showcase results during meeting with new arrivals and to provide real-life examples of success.

## [Step 2: Preselecting BDS applicants based on entrepreneurship potential and prerequisites<sup>90</sup>](#)

Entrepreneurship can be a viable economic reintegration option for returnees who meet the following criteria:

- **Genuine commitment to the business approach.** Some returnees may opt for a business support option simply because of the comparatively short duration of the business start-up option when compared to the offered alternatives.
- **Capacity and skills of the returnee to run their own business.** Starting and maintaining a successful business is difficult and not suited for everyone. Not all returnees will be successful entrepreneurs and instead should be considered for other economic interventions. Building on the results of the preceding skills assessment ([section 2.2.4](#)), an appraisal of whether the returnee's numerical, literacy, cross-cutting and other relevant skills as required

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by their initial business idea are at a sufficient level to make them suitable for the business development support track.

- First, developing a fully-fledged business plan and running a sustainable business generally requires skills for financial planning and basic accounting. While some of these basic skills can be learned in the generally short time frame of the training on business planning (Step 3), a numerically illiterate middle-aged returnee is unlikely to learn sufficient accounting skills for running a successful business. As such, returnees should already have
- Second, for many initial business plans, the returnee will require a specific set of skills. For instance, an applicant with a business plan for an electronic repair shop should have knowledge of electronics and previous work experience in repairing electronic appliances. When assessing the eligibility of beneficiaries for the BDS track, both the cross-cutting skills and capacity of individual applicants should be appraised, as well as skills that would be required to successfully execute the specific business idea.

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Not all returnees have the skills and capacity to successfully start their own business. Lacking the skills and acumen for successful entrepreneurship risks not only the failure of the business but can also lead to long-term negative consequences such as debt and loss of social capital in the country of origin. Such risks can be amplified by other factors, for instance in cases where economic reintegration plans do not align with the local economic situation.

### [Step 3: Short-term training on business planning](#)

Returnees without prior experience in starting a business are unlikely to be able to create a feasible and market-ready business plan, or to successfully invest in and expand an existing business. While the development of a promising and feasible business plan is the prerequisite for receiving business development support, most returnees who want to establish a business upon return require short-term training on business planning. Essentially, this short-term training on business planning serves four purposes:

1. It provides participants with the skills to elaborate market-oriented business plans and familiarise them with the technical criteria they need to meet for the subsequent business plan selection process (Step 4). The technical training should provide participants with the required

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financial and business skills as well as with relevant information on regulations and legislation. A significant obstacle for any new entrepreneur is their lack of familiarity with regulations and procedures upon start-up of their business. Returnee entrepreneurs are particularly disadvantaged in this regard, as they often have little knowledge of relevant national and local regulations and may even have disconnected from locally prevalent social and cultural norms during their time spent abroad.

2. It provides participants with knowledge about local market systems and supply chains. Building on previously conducted market assessments and value chains analyses ([see section 1.4.2](#)), Business development trainers should provide basic information to participants about sectors and value chains in which they can produce more competitive products or services that are able to generate growth, job creation and poverty reduction. Practical experiences should be provided through group-based mentoring by local partners. Partners should include relevant local actors including microfinance institutions, municipal actors, sectoral associations, employers' organizations and NGOs, depending on their capacity, relevance, availability and willingness to be involved in the BDS track. If the capacity of partners is sufficient, the lead organization should aim to establish local Business Development Councils (BDCs) that provide business support, mentoring and long-term monitoring functions also in the first year(s) of business operation ([see also section on monitoring and evaluation](#)). Where possible, former BDS participants who have already successfully established a business should be invited to present their experiences about challenges and opportunities they faced in the local market systems, and how they successfully integrated into their respective value chains.
3. It exposes beneficiaries to opportunities for social and economic collaboration with other returnees for the purpose of designing collective, rather than individual, projects. The short-term training can constitute a powerful entry point for participants' socioeconomic reintegration through the fostering of cooperation and collaboration of returnees in the framework of collective business start-ups and projects. Even for applicants whose business plans are subsequently not selected (Step 5b), the collaboration and exchange of experiences made during the initial business planning training fosters valuable social linkages between returnees, BDS partners and former BDS participants which in turn can facilitate their socioeconomic reintegration in the long term.

It develops the final collective or individual business plans in accordance with the programme-specific technical requirements, applicable regulation and business law, and tailored to the local markets and value chains.

#### [Steps 4 and 5b: Selecting the most promising and realistic business plans](#)

During the short-term training on business plan development, the beneficiaries will have developed their collective or individual business plans. In the next step, an evaluation board identifies the most promising and realistic business plans in order to select the sub-set of applicants who will be eligible to enrol in the in-depth business development training.

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To evaluate the feasibility of a business plan within a given economic context, it is recommended that the country office managing the reintegration process in the country of origin creates a selection committee that brings together different representatives, including businesspersons, who review the business plans that are submitted for their viability. The evaluation board will vary by reintegration programme and local context but should ideally comprise staff of the organization managing the reintegration programme, technical level government officials specialized in the relevant field, representatives of microfinance institutions, sectoral associations, employers' organizations and relevant NGO staff. Members of the evaluation board should be appointed based on their practical knowledge of local market systems and value chains as well as their business acumen. (See *section below on Creating Business Advisory Councils.*)

Furthermore, each reintegration programme needs to define the selection criteria for the identification of feasible and promising business plans. The criteria developed for the evaluation of business proposals are a strategic and highly important element of the overall reintegration programme design. While criteria should always be evidence-based, market-oriented and transparent, programme managers can introduce specific evaluation criteria that can tailor the BDS outcomes to the specific reintegration programme's parameters (the resources, capacity and available funding for BDS activities) and to the external socioeconomic environment (the business environment, market systems, conditions for community-based projects and presence of external sources of support). The more the office overseeing the BDS track works at local level, the more it can find incentives for returnees to act collectively while ensuring that collective efforts are tailored to individuals' needs and local markets.

Furthermore, basic technical criteria such as the required template of the final business plan and the format of other selection processes (such as a pitch or a presentation) need to be defined. Ideally, the criteria or template for business plans should be harmonized at country of origin level. However, a business plan should always comprise the following elements:

- Business description, a situation analysis and a set of clearly defined key targets that the applicant intends to reach within years one, two and three of operation;
- Detailed information on the required operational space, labour and key infrastructure, equipment and tools, as well as permit(s) or license(s) required;
- Skills required for running the business;
- Potential customers and market needs;
- Marketing plan, including a pricing strategy and a marketing and promotional strategy;
- Estimated sales per month in years one, two and three;
- Initial capital required and ongoing costs for running the business;
- Sources of capital;
- Risk assessment and adequate mitigation strategy.

Once the country-specific criteria for the selection of business plans have been defined, they need to

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be communicated clearly and transparently to all returnees applying for the BDS track from the very onset.

The evaluation procedure itself varies both in terms of the country-specific evaluation criteria and in terms of the different composition and expertise of the evaluation boards. While details of business plan requirements can vary by country offices, the evaluators always need to assess whether the plans include a clear understanding of the pertinent market system and value chains, a step-by-step approach to starting the business and a clear strategy of how to address possible challenges or risks. Irrespective of programming features, all business plans furthermore need to be in accordance with applicable business law and regulations as well as relevant social, cultural and religious norms. Also, evaluations should always assess the anticipated impact of the business on the local community and market system to avoid any economic or social disruptions. Evaluators should reward business ideas that credibly plan to generate additional employment in the future. Finally, evaluators should take into account whether business plans make adequate and efficient use of returnees' existing material and non-material assets (such as real estate, motor vehicles, social networks and so forth, if any).

A second general evaluative factor relates to the feasibility of the business plan in the context of available market opportunities and mentoring pathways. While every business plan needs to be feasible in the light of assessed market opportunities ([see section 1.4.2](#)), it is equally important that the lead reintegration organization and its partners in the country of origin have the capacity to mentor the returnee(s) in the specific field of business.

Upon completion of the selection process, the case manager needs to inform beneficiaries whether or not their business plan applications were selected for the BDS track. For applicants whose business plans were not successful, the case manager needs to readjust the economic reintegration planning and provide counselling support in providing beneficiaries with adequate alternative options, such as vocational training or job placement (Step 5b), or help in improving the business plan with other returnees or partners to submit a stronger plan for the next selection.

### [Steps 5a and 6: Provision of in-depth business development support](#)

Beneficiaries whose business plans have been selected require comprehensive training and mentoring to enable them to establish, run and upscale their businesses in a sustainable manner. This requires the provision of targeted support for business start-ups from the very onset business development training, ensuring continuous learning after the launching of the business, seeking stronger cash flow projections and conducting profit and loss analysis over an extended timeframe. For the duration of the business development training, transportation to the training site and meals should be provided for all training participants. For those persons living very remotely from the training centre, options need to be explored to provide overnight accommodation.

The main goal of the business development training is to strengthen beneficiaries' capacities in developing and managing the future businesses. While the curricula of the training should be adapted in a programme-specific and context-sensitive manner, the training programme should generally comprise the modules and elements provided in Table A.3, below.

**Table A.3: Core modules of in-depth Business Development Training<sup>91</sup>**

Module/Action	Sub-modules/Sub-actions	Context
Entrepreneurship education	<ul style="list-style-type: none"> <li>• Fundamentos de contabilidad</li> <li>• Fundamentos de comercialización</li> <li>• Banca y finanzas</li> <li>• Investigación de mercado</li> <li>• Uso productivo de remesas</li> <li>• Planificación presupuestaria y movilización del ahorro</li> <li>• Requisitos jurídicos (inscripción, declaración de impuestos, contratos de préstamo, periodos de gracia, etc.)</li> </ul>	<p>Finding the right position in the market and building a sufficiently large (and diverse) customer base is key for any entrepreneur. Business skills development trainings need to be tailored to the skills and requirements of the target group as well as to the local contexts. Depending on the size of the enrolled beneficiary cohort, different options should be explored with a view to adapting the schedule and level of the modules to the participants' needs and educational backgrounds.</p>
Short-term TVET/ technical training	<ul style="list-style-type: none"> <li>• Technical training as required by participant for successful business operation</li> </ul>	<p>Some beneficiaries may require specific shortterm training or retraining for required technical skills for a certain business. For this purpose, linkages with the skills development and TVET partners should be created to place participants of business development training in short-term skills development measures provided by external providers. A focus should be on filling the technical gaps of participants.</p>
Fostering collective action	<ul style="list-style-type: none"> <li>• Collective business management (teamwork, task sharing, management and administration, trustbuilding)</li> <li>• Creating linkages between businesses and existing communitybased projects</li> </ul>	<p>If the social and economic preconditions for the inception of collective businesses and communitybased projects are good, then participants should be incentivized to develop business plans for collective, rather than individual, businesses. This requires specific training to prepare returnees (without prior trust relations) for the challenges of launching and operating a</p>



Module/Action	Sub-modules/Sub-actions	Context
Information on financing instruments, business networks and available support networks and agencies at local level		<p>business together. Participants should furthermore learn about opportunities in linking their businesses to existing community-based projects at the local level. A common barrier for starting entrepreneurs is the lack of knowledge of available financing instruments, sources of assets and available support networks and agencies. Based on a local level network analysis, participants should be provided with information on relevant financing instruments, business networks and available support networks and agencies at local level.</p>
Environmental awareness	<ul style="list-style-type: none"> <li>• Information on opportunities for developing businesses in the “green economy”</li> <li>• Environmental impact (basic environmental screening or impact assessments)</li> </ul>	<p>Short modules on environmental awareness, covering opportunities for “green entrepreneurship”, and how to consider the environmental impact of a proposed business (screening assessment or basic environmental impact assessment). The module should be tailored to existing environmental challenges at local level.</p>
Gender sensitivity		<p>Short modules on gender sensitivity, tailored to local sociocultural norms, should be included to promote gender equality and empowerment of women in the framework of businesses and projects.</p>
Mentoring and exchange of experience		<p>Mentors should showcase feasible business models in similar communities, including organizing opportunities for beneficiaries to visit similar businesses in similar communities to exchange knowledge and experiences. Where feasible, visits to trade fairs should be considered.</p>
Finalization of business plans		<p>Fine-tuning the business plan building on the expertise of local</p>

Module/Action	Sub-modules/Sub-actions	Context
		actors and tailoring them to opportunities identified in market assessments and value chain analyses.

As noted earlier, business development support should not be understood as a limited one-off training course, but rather as a long-term process of support and mentoring that accompanies the selected business over longer periods time (see Step 6). For this purpose, the country office should conduct regular market assessments ([see section 1.4.2](#)) in order to update the knowledge base, both in order to continuously adapt the curricula of new business training courses and in order to provide advice and mentoring to returnees that already operate functional business. As such, the business start-up process should be part of a learning approach rather than a one-off source of assistance. This long-term support should:

- Provide assistance for adjustments during the first year of business operation, including the provision of additional start-up capital or training as required by the business.
- Support improvements in expanding the business and reaching a wider variety of customers, by linking the business with incubators and investors; providing support in increasing the product range and marketing approach; and facilitating connections to mainstream businesses. Finally, the continuous engagement with the returnee entrepreneurs over the long term also greatly facilitates the overall monitoring and evaluation of the BDS track.

### [Facilitating access to assets](#)

A common practical challenge for many returnees wanting to start a business is finding a shop, office space or manufacturing space. To start up an individual or collective business, returnees generally require access to individual or family land, shop, tools and capital. The organization managing the BDS track should support beneficiaries in finding appropriate spaces, taking into account their customer base, the costs, and local rules and regulations. Depending on programming features, this support can either be made through help in finding premises such as office spaces, locations for trade, storage space or plant areas or through the provision of premises within business incubators.

When assessing the assets required by a beneficiary's business plan, the case manager should assist the beneficiary with taking stock of any eventual assets they have accumulated prior to their return. This can include financial, material (such as real estate or motor vehicles purchased in the country of origin either for them or their household) and other assets, such as social assets including social and business networks. Real estate, if not required for housing, could directly be used for the

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proposed business or be rented for hospitality (bed and breakfasts or Airbnb) or educational purposes (such as training centres). Motor vehicles could be used or leased for commercial and passenger transportation. For channeling assets towards productive usage, returnees should be supported by case managers and relevant stakeholders in the local business mentorship system, such as business associations, businessmen and NGOs. Upon approval of a business plan, the case manager and partners, together with the beneficiary, should also verify the costs of the goods and services required for implementation and identify the best suppliers.

### [Type of financial assistance to be provided](#)

Finally, the Business Advisory Council (*see section below: Creating a Business Advisory Council*) needs to take a final decision on the value, nature and modalities of the assistance to be provided. A common key challenge faced by returnees in various past reintegration business development programmes relates to the inadequacy of the starting capital. In many past reintegration programmes, levels of capital provided were not aligned with the needs of starting up businesses in the national and local context.<sup>92</sup> Ensuring that sufficient capital is provided is critical to the sustainable success of business development efforts. For this reason, funding levels should be adjusted in each context based on local prices. Irrespective of whether the assistance is provided in-kind, cash-based or both, relevant local-level factors affecting overhead costs need to be taken into account. For instance, rent prices and certain services are often more expensive in urban environments when compared to rural settings.<sup>93</sup> Country office staff can review purchasing power parity rates and data on market prices as an initial guidance, but for local-level adaptation, market assessments and value chain analyses should be used to determine differences in business start-up costs.

As regards the nature of the assistance, there are two options, in-kind assistance and cash-based assistance. These two forms of assistance can be used either in an exclusive or a complementary way. Until recently, international organizations have tended to use in-kind grant packages as start-up capital rather than cash-based solutions, that is through the provision of the goods and services needed to implement the beneficiaries' reintegration plans. For example, IOM Iraq maintains a catalogue of standard in-kind grant packages which is organized according to business category, type of business and which is updated over time to reflect changes in the prices and availability of items in the market.<sup>94</sup>

As per the modalities of business-start up support, the crucial differentiators are whether or not the assistance is provided in one tranche or over several occasions, and whether the assistance is provided conditionally or unconditionally. For in-kind assistance, the organization managing the BDS track generally provides assets (machinery, tools, and so on) that are inherently relevant for the business, with little risk of misappropriation by the beneficiary. For cash-based assistance, however, there are tangible risks associated with embezzlement, misuse and anti-social spending. Such issues can be addressed by linking cash transfer to certain conditions. While unconditional cash transfers are direct grants with no conditions or work requirements and no requirement to repay any money

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and with which people are entitled to use the money however they wish, conditional cash transfers have conditions attached as to how the money is spent, for example for use in a business. An effective approach can be to issue different kinds of cash transfers over several tranches, where the first tranche for BDS is paid unconditionally, a second tranche is issued only after essential assets for the business have been purchased and a third tranche is paid later in the business development process once certain business targets have been attained.

Each country office should define rules and procedures in this regard, in compliance with the organization's procurement rules, the parameters and budgeting rules of the specific reintegration programme and taking into consideration the structural and local context. The choice of providing business start-up capital in cash-based or in-kind assistance is dependent on specific criteria of reintegration programming and influenced by factors at the structural, community and individual levels. Table 9 in section 3.2.2 in the main Handbook provides an overview of the key considerations that should be taken into account when deciding whether to use cash-based or in-kind forms of assistance. If the beneficiary agrees to the assistance plan, the lead organization or its partner(s) should implement the plan in a timely and transparent manner. In instances when the determined support takes the form of in-kind grant packages, the case manager starts the procurement process in compliance with relevant procurement rules.<sup>95</sup> In this case, the organization directly pays the suppliers either by bank transfer or cheque.

### **Supplier Diversity: Creating positive community externalities from start-up support**

Supplier Diversity encourages the use a wide range of supplier types, starting with SMEs and including diverse and under-represented businesses; small, local and innovative firms, third sector, social enterprises and other types of organizations which include migrant-, women- or minority-owned businesses. On the one hand, by broadening the diversity of their supply base, new businesses can gain access to new ideas, increase competition and widen their candidate pool. On the other, supplier diversity can help regenerate communities, foster socioeconomic interdependencies between host communities and returnees and encourage new entrepreneurs.

Case managers and partner(s) should ask themselves:

- What can be done to support supplier diversity at territory level?
- How can supplier diversity maximize the benefits within the local and host communities?

### [Facilitating access to relevant agencies](#)

Depending on the duration of their previous migration experience, their knowledge of local business practices and their existing social and community ties, beneficiaries require different levels of support

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to access relevant agencies for their business. Building on the referral system and partnership network that the country office has at its disposal in a specific country of origin, the business development support should also serve to support beneficiaries in accessing relevant agencies, such as business associations, standard's bodies (if relevant for the products and services of the envisaged business) and customs' organizations. Depending on the nature and needs of the business and the business support options available in the local context, contacts should be facilitated with:

- Various business sector organizations (employers' associations; producers and traders' associations, trades union organizations; representatives of cooperatives; associations of the self-employed; financial sector associations; territorial employment service managers);
- Standards' bodies, particularly if the creation of regulated goods or services is foreseen in the business plan;
- Women's associations and youth associations as well as associations of other marginalized groups;
- Social and religious organizations, foundations, corporations and other non-profit organizations with social, economic, financial, environmental, cultural or artistic aims;
- Customs' organizations (if services or goods are intended for export or if essential goods need to be imported);
- Research and development centres and technical assistance services, if any;
- Local media, for purposes of coverage, advertisement and marketing.

### [Facilitating access to banking and microcredit, and productive use of remittances](#)

One of the most common barriers for business startups is access to finance with reasonable interest rates and conditions. Improving returnee entrepreneurs' access to finance is an important way to improve the success of their enterprises. While section 2.4.4 provides general information about providing beneficiaries with access to banking and microcredit, this section provides an overview of specific approaches to linking entrepreneurs to suitable banking services and financing instruments.

Depending on the reintegration programme's parameters, access to credit and capital for BDS can be provided through internal, external or mixed-ownership microloan programmes, business incubators in local communities and other methods. While some reintegration programmes directly provide financial services within the BDS track, other reintegration programmes rely on external

microfinance institutions (MFIs) to provide microcredit and other financial support. Under reintegration microfinance programmes, microcredit generally is provided in the form of small assisted and collateralized loans for start-up businesses in the target group. Collateral is provided by borrowers where available, and in the absence of collateral, business peer guarantee groups should be formed by several borrowers). In the event peer groups are created, they should be closely assisted and monitored by project business advisers in order to prevent collective repayment problems and to moderate any potential intragroup friction.

It is important to note that microcredit is not a solution for all returnees receiving BDS. In some reintegration programmes, microcredit is not provided by the organization managing the reintegration process but by external MFIs. These need to ensure their own economic viability and therefore are generally not willing to offer credit to a returnee without any guarantees or if the returnee lacks knowledge of the local market and demonstrated capacities in the proposed business area. While the two-step selection process and in-depth business development training should provide start-up entrepreneurs who underwent the BDS track with all the relevant knowledge and skills, the absence of collateral can still make access to microcredit difficult. Depending on the specific reintegration programme, the lead organization may be in a position to provide collateral on behalf of the borrower.

As previously outlined, all returnee entrepreneurs should be comprehensively informed about locally available financial service providers such as banks and microfinance institutions during the in-depth business development training. However, support for entrepreneurs with accessing microcredit should be provided diligently and on a case-by-case basis. BDS beneficiaries should only be referred to relevant banking institutions and MFIs for accessing lines of credit after firstly being informed about the various risks associated with taking out a loan at the various stages of the business development process and secondly after verifying whether the entrepreneurs meet basic requirements and have the necessary documentation for accessing a loan ([see section 2.4.5](#) for detailed information on assessing the eligibility of returnees for microcredit).

The expediency of taking out a loan is dependent also on the point of time in the business development process. In some cases, microcredit may be the adequate instrument once the business is running and generating first profits, as it can help increase profits and contribute to long-term stability. Table A.4 provides a schematic overview of the different stages of the business start-up process during which microcredit can be used.

**Table A.4: Business development stages during which microcredit can support business success<sup>96</sup>**

Business development stage	Microcredit usage scenario	Advantages	Challenges
Before business launch	<b>Supplement:</b> A returnee or group of returnees applies for microcredit before the inception of the business in order to deploy a more significant initial capital. The credit may cover a large amount of money and the repayment period is likely to be	Comprehensive support for the start-up phase is available.	The returnee or group of returnees might not be able to comply with the lending requirements yet (collateral, stable income, running business). Both the returnee or group of returnees and the MFI cannot know whether the start-up will be

Business development stage	Microcredit usage scenario	Advantages	Challenges
Initial business development (generally during year one)	<p><b>Working capital:</b> A returnee or group of returnees has funded a business with BDS and all the instalments have been disbursed. The returnee or group of returnees applies for a microcredit to bridge a short period of time, for example to buy a supply of goods for which there is insufficient cash at that moment. The credit amount is likely to be comparatively low and the repayment period shorter</p>	<p>If the business is running well, the returnee or group of returnees can prove the capacity to repay. As the amount is likely to be small, there is a good chance of receiving the credit.</p> <p>Counselling or offered training sessions might provide new ideas and help to optimize the management of the business. The risk is low if the returnee or group of returnees receives good counselling.</p>	<p>successful and whether it will enable a stable income allowing repayment of credit. This constitutes an elevated risk, varying in magnitude with the size of the requested loan.</p> <p>If the reason for the lack of liquidity is that the business is not profitable or struggling, the credit might aggravate the situation. Good counselling and business assessments are thus important.</p>
Expansion and growth (generally after year one)	<p><b>Additional investment:</b> A returnee or group of returnees has funded a business with the reintegration grant and all instalments have been disbursed. The microcredit is requested to expand the business and there is a need for additional funds to be invested. The credit is likely to be a larger amount of money and the repayment period may be rather long</p>	<p>If the business is running well, the returnee or group of returnees can demonstrate the capacity to repay.</p> <p>Counselling or available training sessions might give new ideas and help to optimize the management of the business. The risk is low if the returnee or group of returnees receives good counselling.</p>	<p>If a larger amount is needed, it is possible that collateral requirements are high.</p>

All returnee entrepreneurs should be taught about productive ways to invest any remittances they may receive from relatives or friends abroad during the in-depth business development training (see Table A.3). Training on the entrepreneurial use of remittances should also target the household level,

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as other family members may be the recipients and de facto managers of remittances. Targeting the close relatives of the entrepreneurs is essential in the development of their financial management skills and savings practices, and to avoid imprudent spending behaviour by other family members that could risk the success of the business. For effective targeting, the training should be integrated in general financial literacy training modules which are usually implemented in community-based organizations. Further information on remittance-linked financial education and investment initiatives is provided in section 2.4.5.

### [Creating a Business Advisory Council](#)

Partnerships can play a strategically important role in different phases of the BDS track, from support for initial market assessments, expertise on the selection of promising business plans, the provision of training and mentoring, up to incubation and upscaling for successful businesses.

In order to harness the expertise of the private sector, the lead reintegration organization should aim to create Business Advisory Councils (BAC) at local level that can provide support for different activities within and beyond the BDS track. Building on a stakeholder mapping, the lead reintegration organization should engage with pertinent local partners, including Chambers of Commerce, employers' organizations, local and national business associations, diaspora businessmen, sectoral associations and representatives of microfinance institutions and CSOs, in order to establish multi-stakeholder BACs that can support the design, implementation and evaluation of BDS.

In order to incentivize private and non-governmental stakeholders to join the BACs, the lead reintegration organization should engage with the national ministries in charge of the finance, labour and innovation portfolios to explore options for setting up an incentive scheme that provides members of the BACs with financial and reputational incentives to support the BDS track. Relevant forms of organization can include Memorandums of Understanding (MoUs) or inter-agency agreements between the lead reintegration organization and relevant line ministries and agencies. BACs should be incentivized to support different stages of the BDS track:

- **Support for initial market assessments.** When conducting market assessments or Value Chain Analyses, the lead reintegration organization (or the external partner to which the research has been outsourced) requires the expertise of local business associations, sectoral associations, CSOs and other stakeholder groups to provide essential data on local market and sectoral dynamics. All market assessments categorically rely on primary data, making local expertise essential for comprehensive and accurate findings. If local experts are already organized in a BAC, it strongly facilitates the periodic engagements required for regular market assessments when compared to a renewed outreach to individual stakeholders every time a market assessment needs to be conducted.
- **Evaluation and selection of promising business plans.** BAC members should be part of the selection or evaluation board that identify promising business plans for reintegration



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beneficiaries. The evaluation board will vary by reintegration programme and local context, but should comprise representatives of microfinance institutions, business associations, employers' organizations and relevant NGO staff. Members of the evaluation board should be appointed based on their practical knowledge of local market systems and value chains as well as their business acumen.

- **Training and mentoring.** BAC members such as business associations, representatives of microfinances institutions and employers' organizations, can provide mentoring and coaching on all relevant aspects of entrepreneurship, including on taxation, administrative and bureaucratic procedures, managing workers and marketing. Their expert knowledge of local markets can be an important asset for ensuring that business training takes into account specific aspects of local market systems, including competitiveness issues and demand and supply dynamics at local level.
- **Selection of suitable vendors.** As BAC members are inter alia selected on the basis of their knowledge of local market systems and value chains, they can provide support to the lead reintegration organization in identifying and selecting suitable vendors for purchasing assets and products for business start-ups. Where feasible, the lead reintegration organization should provide small business support through officially registered or state recognized vendors. BAC members can support the reintegration organization in creating and regularly updating an inventory of existing vendors in each country of origin.

**Incubation and up-scaling for successful businesses.** As outlined in Step 6, the lead reintegration organization should explore options to provide financial, organizational and logistical support to the most successful business start-ups after a period of operation. BAC members can directly support the creation of business incubators that provide additional investments and a range of business-related resources and services (such as shared cheap office spaces and shared administrative services) to selected business. Options should also aim to involve diaspora businessmen in these incubators, by firstly providing investment opportunities for business expansion and secondly, facilitating the transnational exchange of expertise, services and goods for successful businesses by leveraging the existing business networks of diaspora businessmen in the host countries.

<sup>90</sup> Step 1 is covered in section 2.4.3.

<sup>92</sup> Adapted from IOM's internal document, Migration and entrepreneurship: How to design and implement projects on enterprise development in the migration context (Geneva, 2015).

<sup>92</sup> Internal evaluation report by Dr Alpaslan Özerdem of University of York, UK on IOM, Disarmament, Demobilisation and Reintegration Programme (Geneva, 2006); IOM, Comparative research on Assisted Voluntary Return and Reintegration (Geneva, 2006).

<sup>93</sup> Internal evaluation report by Dr Alpaslan Özerdem of University of York, UK on IOM, Disarmament, Demobilisation and Reintegration Programme (Geneva, 2006).

<sup>94</sup> IOM, [Reintegration Effective Approaches](#) (Geneva, 2015).

<sup>95</sup> For IOM, the procurement rules are available on [www.iom.int/iom-general-procurement-principles-and-processes](http://www.iom.int/iom-general-procurement-principles-and-processes).

<sup>96</sup> Adapted from: IOM, [Access to Microcredit Opportunities for Returned Migrants during and beyond IOM Support: A Study on Microcredit in the AVRRC Context](#) (Geneva, 2016).

