

Program of Sustainable Development for Central American Refugees in Mexico

The Institute for Development, Evaluation, Assistance and Solutions (IDEAS), an international NGO has worked for more than three decades in more than 13 countries in Latin America. We have worked for most of those years with the three countries in the Northern Triangle of Central America (El Salvador, Guatemala and Honduras) as well as doing consultancies in Mexico.



We have tremendous respect for the great emergency and advocacy work that many organizations are doing with the hundreds of thousands of refugees. IDEAS knows that we can complement that by assisting the refugees who have decided to put down roots in Mexico. We encourage sustainable employment backed by loans and the development of sustainable and affordable housing for rent and purchase.

IDEAS (www.ideasnet.org and www.ideasnet.org/es) has been a pioneer in Latin America in promoting social investments for microfinance. We started the first fund in Latin America to bring private investments to microfinance institutions (MFIs). It borrows from individuals and for-profit and non-profit institutions. Twenty-nine years later, the Working Capital for Community Needs (WCCN www.wccn.org) is still lending to MFIs in 6 countries in the region. WCCN's investments assist an estimated 20,000 people a year.

In 1991, we formed the first MFI in Latin America and the Caribbean that obtained 100% of its capital from social investors and continues to lend to clients in Nicaragua today. It is important to remember that three decades ago all MFIs depended on donations for their capital and now almost all obtain part of their capital through investments. In IDEAS we have been pioneers and social entrepreneurs in many different types of sustainable development.

We are seeking other allies to be at the forefront of this very important program to assist Central American refugees to build their long-term sustainable future in Mexico.

Purpose: To help refugees and migrants from the three countries of the Northern Triangle who are seeking to create a longer term life in Mexico. This economically sustainable life can be developed through our cooperation with Mexican and international institutions.

Goals:

1. Continue our research about who is helping refugees and migrants in Mexico and who would like assistance to help Central American to be economically sustainable in employment and housing.

a. There are many charities that are doing essential work of providing different types of valuable assistance for the refugees. We are looking to complement this with ways to promote sustainable development activities as this has been the specialization of IDEAS for four decades.

b. We must do this with a regional perspective of the 5 countries in which the problems and solutions must occur.

c. Mexico has been a "transit country" but now it is a "destination country" for many Central Americans.

d. They have the desire to work and are working to support their families. In Mexico, there are legal ways for refugees and new residents to do so as well as to borrow money for setting up their own businesses, purchasing property, etc. Yet many Mexican organizations are not yet aiding them in this so we are working to encourage them to lend and support employment.



2. Provide technical assistance to two types of Mexican institutions: 1) those that have already begun to provide loans and help refugees to work, and 2) institutions that have not yet adopted a strategy or implemented sustainable services.



a. The potential market is large. There are approximately 310,000 Central Americans in Mexico today. At least 60,000 are on the waiting list for asylum in the US. This means that about 250,000 Central Americans need to work in Mexico. The numbers are so large that charities are forced to limit the length of housing and food that they give to any individual.

- b. We need Mexican allies and international ones to develop these sustainable actions with refugees.
- c. For those who are lending, together we can work to develop sustainable portfolios. IDEAS has a history of decades working in microfinance on four continents.
- d. IDEAS is ready to provide technical advice and evaluation services as we have given in many other countries.
- e. Once we can help prove that financial institutions can lend to refugees, then there is the possibility of IDEAS helping them to access international impact investments.

3. Help to create a sustainable housing program for refugees and migrants, alleviating one of the most important shortcomings for them.

- a. Currently, most of the refugees are housed in precarious conditions and do not have security of tenure.
- b. We done a preliminary investigation based on statistics on the housing situation in Mexico and the work of entities providing affordable housing for poor Mexicans. We are reviewing the subsidies for those buying or building houses. We are looking at possibilities of improving rental housing by lending to landlords.
- c. Programs like UNHCR are providing initial shelter for refugees but it is limited in duration.
- d. Many refugees are living in slum housing or in tents.
- d. We are in the process of contacting institutions that have been creative in providing subsidies and preparing houses to sell to low-income Mexicans. It is possible to adapt these programs to refugees.
- e. Eventually, it would be possible to use impact investments for housing for refugees.



4. IDEAS is attracting international impact investment funds. We have an initial document that describes the credit conditions possibly available to Central Americans.

- a. IDEAS has the advantage of having worked with all the actors (Investors -> investment funds -> social enterprises -> recipients who are generating the impacts which motivates other actors to continue increasing their investments).
- b. IDEAS has decades in this work of impact assessment and social entrepreneurship.
- c. The work is in line with some of the 17 goals of the United Nations Sustainable Development Goals.

5. We also are building on the examples in the US from the long history of refugees, especially from Central America and Mexico. These refugees and migrants have developed sustainable actions and receive loans from impact investments. We seek additional examples.

- a. For example, the Savings and Credit Cooperative in North Carolina (Latino Community Credit Union) that is serving migrants with and without documents in a sustainable and rapidly growing manner. This credit union lends funds for the purchase of houses, which results from tens of thousands of dollars to lent to each family.
- b. 95% of Mexicans abroad have arrived in the US and many have developed sustainable businesses. The economic and social impact of these migrants is so profound that there are 50 Mexican consulates serving them.

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