

GLOBAL SPONSORSHIP FUND

GLOBAL REFUGEE SPONSORSHIP INITIATIVE PLEDGE

Background

The [Global Refugee Sponsorship Initiative](#) (GRSI) is a joint initiative led by the Government of Canada, the United Nations High Commissioner for Refugees (UNHCR), The Giustra Foundation, the Open Society Foundations, The Shapiro Foundation, the University of Ottawa Refugee Hub, Porticus and Robert Bosch Stiftung. The GRSI works to encourage and support the adoption and expansion of community sponsorship programs worldwide.

As part of the [2023 Global Refugee Forum](#), and with inaugural funding from the Government of Italy and Robert Bosch Stiftung, the Global Refugee Sponsorship Initiative proposed to establish a new [Global Sponsorship Fund](#) (GSF).

Why Sponsorship

- A [growing number of people](#) are displaced worldwide, often living in circumstances that limit their prospects for a dignified and productive life.
- This is happening simultaneously as many countries face a severe shortage of skills at all levels, which will likely aggravate in the coming years.
- Offering a more significant number of opportunities for third-country protection and solutions creates a quadruple win: It reduces pressure on countries of first asylum, it reduces global humanitarian costs, it enables a dignified and empowered life for the refugee and his or her family, and it contributes to addressing workforce shortages.
- [Community Sponsorship](#) is a unique tool for growing resettlement offers and complementary pathways, which directly increase the capacity of reception and integration systems.

Why a Fund

- Financial considerations are essential in determining whether a group of potential sponsors should host a refugee.

- Communities globally have sponsored 1 million refugees. Introducing innovative financial incentives can facilitate the expansion of the sponsorship community while broadening its scope beyond diaspora and faith-based groups.
- In an increasingly interconnected world, countries in the Global South can overcome political and economic barriers to establishing sponsorship programs. By harnessing the power of an international financial facility, these nations can efficiently leverage income and exchange rate asymmetries.

The Global Sponsorship Fund

- The fund will pool public and private donations and/or financial pledges from various sources to provide financial support to increase the number of sponsor groups.
- The fund's financial support can take different forms depending on the design of the individual sponsorship program and donor interests and constraints.

The following principles will apply to the fund:

- **Community-depth & global-breadth:** The fund will collect donations from around the world but will be managed locally by trusted partners at the national and local levels who will distribute the incentive payments. This approach respects the diversity of individual sponsorship programs and will also establish connections with local authorities involved in sponsorship.
- **Beneficiaries and time of accrual:** The incentive payments would be accrued to the identified beneficiary upon the refugee and his/her family's arrival in the destination country. Depending on donor needs and constraints, the funds would be disbursed mainly through trusted civil society partners and local governments to refugees, sponsor groups, and grassroots organizations.
- The support may come in grants that do not need to be repaid. However, the fund will also be designed to allow for the option of providing some of the money as loans rather than grants to potentially increase leverage in the future. Tying payments to performance metrics will be the preferred method of deployment.
- **Geography:** The fund will not be limited by geography; all countries will be potentially eligible. Institutional donors surpassing a certain threshold will be permitted to prioritize specific regions, possibly due to legal restrictions or policy preferences. Given that the bulk of development aid is directed towards the Global South and most sponsorship programs are situated in the Global North, it's clear that the Global Sponsorship Fund can play a crucial role in expanding sponsorship programs to refugee-hosting countries.

- **Emergency:** The fund can serve as an innovative tool for displacement crises. It may offer targeted and immediate support in contexts where many hosts are mobilized to welcome refugees.
- **Sources:** The fund is intended to maximize potential revenue sources and to manage them cost-effectively. This includes utilizing public funds for migration and development cooperation and private donations from philanthropic organizations and corporations. Small contributions from communities and individuals will be considered if the minimum threshold scale and fund management conditions are met.
- **Collaboration with other national funds:** A core value proposition of the GSF is to facilitate strategic and optimal use of financing for donors. In addition to directly managing funds, the GSF will collaborate extensively with current national sponsorship funds or newly formed programs. Resource mobilization by the GSF to expand or create new funding vehicles does not always entail directly managing the funds if they can be used more effectively through an existing or new channel. In addition to its direct and indirect resource mobilization services, the GSF will serve as a global platform for collaboration, capacity building, and data intelligence. This platform aims to support the increase in the number of sponsor groups globally, including assisting in the growth of donations from individuals and tracking the overall financing for sponsorship growth worldwide.

The Fund Design Process

- The fund is being established through 2024. Consultations on where and how to deploy the funds and structural options are being conducted using design-thinking tools.
- These consultations involve a dedicated team, an advisory body, and co-design with stakeholders, including governments, philanthropic organizations, civil society organizations, and others, many of whom have expressed their commitment to establishing the fund at the Global Refugee Forum in December 2023.

The GSF is being established with a view to being fully operational in 2025. Next steps include:

- The first investment prototypes will be designed and vetted.
- The prototypes will be tested and produce initial results, on the basis of which crucial strategy deliberations among decision-makers will occur.
- The GSF's programmatic focus, governance, and operations will be announced.