

Catalyzing Integration Outcomes for Migrants and Refugees:

The Potential of Results-Based Financing

Why this guide book matters?

This guidebook offers a practical path for harnessing migration as a driver of inclusive development through funding approaches that reward outcomes, not just intentions. It is intended for policymakers, donors, and practitioners seeking to design and implement Results-Based Financing programs to support migrant and refugee integration.



Executive Summary



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Migration is one of the defining global challenges of our time.

It has become increasingly protracted, complex, and multidimensional. While often addressed primarily as a humanitarian emergency, migration also holds significant potential to drive economic growth, strengthen public systems, and promote social development in both origin and destination countries. Realizing this potential requires moving beyond short-term crisis responses toward long-term, systemic approaches that foster the sustainable social and economic integration of migrants in host countries.

This report, developed by Instiglio with the support of the Conrad N. Hilton Foundation

presents Results-Based Financing (RBF) as a strategic tool to support that shift. By linking funding to measurable outcomes, rather than to inputs or activities, RBF offers a flexible, efficient, and accountable way to enhance the effectiveness of migrant integration policies. RBF helps governments, donors, and implementing partners align their efforts, strengthen performance, and ensure that limited resources lead to concrete improvements in the wellbeing of both migrants and host communities. In doing so, RBF supports integration programs that not only reduce vulnerability, but also enable countries to fully harness the benefits of migration.

The report specifically explores how RBF can be applied to strengthen public policies across three core areas of migrant integration: legal regularization, economic inclusion, and access to essential services such as housing, health-care, and education. It highlights practical examples, particularly from low- and middle-income countries (LMICs), showing how RBF has been used to tackle integration challenges and deliver meaningful, measurable improvements in the wellbeing of migrants and the communities that host them.

Rethinking Migration: From Crisis to Opportunity

Migration is often perceived and treated as a short-term emergency. In reality, it has become an increasingly frequent, protracted, and multi-dimensional phenomenon—driven by a combination of economic hardship, political instability, and climate-related crises. This evolving context challenges policymakers to shift from reactive crisis management to proactive strategies that recognize migration as a structural and potentially beneficial component of development. When well-managed, migration can be a powerful engine for shared prosperity. Migrants contribute to host countries by filling labor shortages, expanding tax bases, creating businesses, and revitalizing local economies. Countries of origin benefit as well, through remittances, skills transfer, and relief of labor market pressures.

In many LMICs, where most migrants reside, however, migration continues to be addressed primarily through fragmented short-term humanitarian aid. While essential to respond to migration emergencies, this approach often falls short of establishing the systems needed to support long-term integration. The absence of a unified development strategy for migration leads to disjointed services, poor inter-agency coordination, and missed opportunities to leverage migration for national and local development.



Shifting the policy logic from short-term crisis response to long-term migrant integration requires addressing the core challenge of socioeconomic inclusion. This means ensuring that migrants can obtain legal status, access decent employment, and benefit from essential services such as housing, healthcare, and education. These elements are not only fundamental to migrants' wellbeing, but also contribute to social cohesion, institutional resilience, and economic stability in host communities. Progress, though, is often obstructed by a combination of limited and unreliable data, insufficient institutional capacity, political resistance to inclusive policies, and rigid, input-based funding mechanisms. Critically, there remains a lack of investment in programs that have demonstrated measurable success in improving integration outcomes for migrants and delivering broader benefits to host populations.

The Value of Results-Based Financing (RBF)

To move from a reactive to a proactive response approach, development actors in the Global South must embed migration into broader development agendas. Doing so requires not only sound policy frameworks, but also the right financing mechanisms that direct resources toward proven, impactful solutions.

RBF offers a powerful tool to support this transition. By linking funding to the achievement of measurable outcomes, rather than to predefined inputs or activities, RBF helps overcome common implementation challenges in migrant integration. For example, it promotes the generation and use of high-quality data by requiring precise targeting and outcome verification; it strengthens institutional capacity by embedding performance management and learning into program delivery; it reduces fragmentation by aligning stakeholders around common goals and metrics; and it enhances accountability by ensuring that funds are disbursed only when concrete, independently verified results are achieved.

RBF shifts the logic of financing from process to progress. Rather than paying for activities such as training sessions or outreach campaigns, RBF disburses funds only when verifiable results are achieved, such as formal job placements, legal status regularization, or improved access to healthcare and education. Specifically, RBF adds value in four key areas:

- 01. Improved data use:** RBF mechanisms require precise targeting and strong monitoring and verification systems, which lead to better data collection, real-time learning, and continuous adaptation during implementation.
- 02. Incentive alignment:** By tying funding to outcomes, RBF aligns the interests of governments, donors, implementers, and other stakeholders around shared, clearly defined goals.
- 03. Greater flexibility and innovation:** RBF gives service providers the freedom to test and adapt their strategies if they deliver results, encouraging innovation and tailoring to local contexts.
- 04. Efficient use of resources:** RBF ensures that limited public and donor funds are only spent when meaningful, measurable outcomes are delivered, driving accountability and maximizing value for money.

Importantly, RBF is not a one-size-fits-all approach. It encompasses a diverse set of instruments, including performance-based contracts, social and development impact bonds, and results-linked fiscal transfers, that can be tailored to different institutional capacities, program maturity levels, and policy objectives. This adaptability makes RBF particularly well-suited for migration contexts, where systems are often under strain and where traditional funding models may fail to adapt to changing circumstances and produce sustained or scalable impact.



Three Pillars of Migrant Integration: How RBF Can Help

This report focuses on three key dimensions of migrant integration—legal regularization, economic inclusion, and access to essential services—and illustrates how RBF can enhance both the implementation and impact of policies in each area.

01.

Legal Regularization

This report focuses on three key dimensions of migrant integration—legal regularization, economic inclusion, and access to essential services—and illustrates how RBF can enhance both the implementation and impact of policies in each area.

RBF can help address these challenges by:

- Incentivizing community-based and refugee-led organizations to identify and support undocumented migrants.
- Linking payments to verified regularization outcomes, rather than preliminary outreach activities.
- Promoting coordination between government agencies and civil society to streamline and simplify the regularization process.

In Colombia, for example, an RBF initiative could support organizations assisting Venezuelan migrants in completing the national registration process. Payments would be made only when migrants achieve legal status, ensuring funding rewards actual impact rather than just effort.

02.

Economic Inclusion

Access to decent work, whether through formal employment or entrepreneurship, is essential for migrants' long-term self-reliance and integration. Many, however, face significant challenges, including unfamiliarity with local labor markets, lack of professional networks, non-recognition of qualifications, limited access to credit, and labor market discrimination.

In this area, RBF can add value by:

- Tying funding to specific livelihood outcomes, such as job placement, income generation, business creation, or sustained employment.
- Supporting credential recognition and tailored job matching based on migrants' skills and experience.
- Encouraging financial institutions to serve migrant entrepreneurs through performance-based incentives.

A relevant example is Colombia's Empléate Sin Fronteras program, which used an RBF model to reward service providers not only for delivering training to vulnerable migrants and host community members, but also for achieving formal job placements and ensuring job retention. In Jordan, the Jordan Refugee Impact Bond takes a similar approach by mobilizing private capital to fund entrepreneurship programs for Syrian refugees. Investors are repaid only if refugee-owned businesses achieve predefined income and sustainability targets assuring that funding is directly tied to improved livelihoods and durable economic outcomes.

03.

Access to Essential Services

Access to services such as housing, healthcare, and education is vital for migrants' dignity, wellbeing, and long-term inclusion. Without these supports, migrants face increased vulnerability and are often unable to pursue stable livelihoods or life goals in host countries. However, many service systems lack the capacity or mechanisms to adequately include migrant populations, who frequently experience gaps in educational attainment, health outcomes, and housing access. In some cases, migrant communities are difficult to reach or hesitant to engage due to legal or cultural barriers.

RBF can improve access and quality of services by:

- Funding providers based on verified service utilization and outcome indicators (e.g., maternal health visits, school attendance, housing stability).
- Encouraging adaptive, context-sensitive service delivery models that reach underserved populations like migrants.
- Promoting cross-sector coordination to improve equity, access, and continuity of care across public systems.

In London, an innovative RBF program funded improvements in housing security for immigrant rough sleepers, facilitating access to housing services as well as support to stabilize livelihoods, improve health, and prevent drug use. In Barranquilla, Colombia, another initiative supported maternal healthcare services for irregular Venezuelan migrants, with payments linked to outcomes such as increased prenatal visits and reduced birth complications. Meanwhile, in Ecuador, an RBF program promoted early childhood development services for both migrant and host communities. Implementers receive payments based on metrics like consistent attendance and progress in developmental milestones, encouraging sustained engagement and measurable improvements in child wellbeing.

Making It Work: From Design to Delivery

While RBF presents a compelling approach to strengthening migrant integration, it is not universally applicable. Its success depends on several enabling conditions, most importantly, the presence of clear and measurable objectives, reliable data systems to track outcomes, and institutional capacity to manage performance-based agreements. Careful planning, inclusive design, and context-specific adaptation are essential to ensure RBF mechanisms are both technically feasible and politically viable to deliver on potential results.

This report presents a practical, phased framework for designing and implementing RBF in migration-related programs:

01. Assess the value-add:

Identify the specific implementation challenges or bottlenecks that RBF can help address. This may include fragmented service delivery, weak accountability, limited use of data for decision-making, or lack of incentives for innovation.

02. Ensure readiness:

Evaluate the broader environment to determine if the necessary technical, legal, financial, and political conditions are in place. This involves assessing institutional capacity, availability of baseline data, stakeholder engagement, and the feasibility of measuring and verifying intended outcomes.

03. Design for success:

Define meaningful and context-relevant outcome indicators. Build a robust verification system, and establish payment terms that reflect a realistic balance between ambition and achievability. The design should also include clear provisions for risk-sharing among funders, implementers, and partners, as well as mechanisms for continuous learning and adaptation throughout the program lifecycle.

Once the design is finalized, attention must turn to laying the groundwork for effective implementation. This includes developing operational tools and documentation, training teams, conducting outreach to ensure stakeholder buy-in, and identifying qualified implementers. A key advantage of RBF in this regard is its ability to localize development financing, enabling smaller, community-based, and migrant-led organizations to access funding based on performance rather than scale or reputation. These actors often have deep connections with the communities they serve, as well as the contextual knowledge and trust needed to address complex integration challenges effectively.

Beyond directing funding to those best positioned to deliver results, RBF also incentivizes improved coordination, accountability, and adaptive management across the system. By embedding data use, performance monitoring, and shared goals into the core of program delivery, RBF strengthens institutional capacity over time, not only for frontline implementers, but also for governments, donors, and other ecosystem actors.

When implemented thoughtfully across each stage, from value-add assessment to system strengthening, RBF can unlock its full potential: improving migrant wellbeing outcomes, enhancing service delivery, and contributing to more resilient and inclusive host communities. To sustain these gains, RBF should be embedded within broader policy frameworks and complemented by long-term investments in institutional development and multi-stakeholder collaboration.

A Call to Action

Migration is not a temporary disruption. It is a structural, long-term global reality. As mobility continues to shape the social and economic landscapes of countries, particularly in the Global South, policymakers face a critical choice: continue investing in fragmented, short-lived responses, or shift toward evidence-based, results-oriented approaches that promote lasting integration and shared prosperity. RBF offers a practical and scalable way forward. It enables governments and donors to deploy limited resources more efficiently, reinforces accountability for outcomes, and builds the institutional foundation for improved public service delivery.

This report calls on policymakers, funders, and implementing partners to act on four key recommendations:



- Reframe migration as a driver of development:** Integrate migration into national and local development plans by recognizing its potential to contribute to labor markets, economic dynamism, and demographic resilience. This requires shifting the policy narrative from emergency aid to opportunity creation and long-term investment.
- Transition from input-based to outcomes-driven funding:** Move away from financing that rewards activity (e.g., number of workshops or outreach events) and adopt mechanisms that tie funding to tangible, measurable results—such as regularization rates, employment outcomes, or improvements in service access for migrants.
- Pilot and scale RBF models in migrant integration programs:** Begin by testing RBF in focused areas—such as job placement, legal documentation, or access to health services—where data can be collected and outcomes are clearly defined. Use these pilots to build political will, institutional capacity, and evidence for broader adoption. Scale-up should be gradual, informed by lessons learned and adapted to local conditions.
- Strengthen the implementation ecosystem:** Invest in building the capacity of local governments, civil society, and migrant- or refugee-led organizations to engage in RBF programs. Create shared measurement frameworks, robust verification systems, and platforms for collaboration among government agencies, donors, and service providers. This ecosystem-wide strengthening is essential to ensure programs can deliver at scale and adapt over time.

By adopting these practices, countries can turn migration from a perceived burden into a well-governed strategy for inclusive development. RBF provides the tools to ensure that migration policies deliver not only services, but also concrete improvements in opportunity, dignity, and wellbeing for migrants, while enhancing social cohesion, economic resilience, and public service quality for host communities.

