

ECONOMIC AND SOCIAL IMPACT OF MASSIVE REFUGEE POPULATIONS  
ON HOST DEVELOPING COUNTRIES, AS WELL AS OTHER COUNTRIES

I. INTRODUCTION

1. In the framework of its yearly review of this issue, the Standing Committee examined a number of proposals put forward by UNHCR at its 18<sup>th</sup> meeting in June 2000. Based on these proposals, UNHCR has worked consistently over the past year in exercising a catalytic and advocacy role. Efforts on the ground have included mobilizing support for projects to be implemented directly by governments and by Non-Governmental Organizations (NGOs). In addition, UNHCR has taken measures to put the issue of the social and economic impact of massive refugee populations on the agendas of various development policy fora.

2. Such an approach has been consistent, moreover, with the findings of the recent review initiated by the High Commissioner, upon assuming his functions, aimed to define where the focus of UNHCR's activities should lie<sup>1</sup>. The issue of protracted refugee situations and the needs they engender was also discussed at the first "Third Track" meeting of the Global Consultations under the agenda item on mechanisms of international cooperation to share responsibilities and burdens in mass influx situations. At this meeting, delegations pointed to the need for a comprehensive strategy which would secure the support of the international community and explore all aspects of potential solutions with a broad range of actors<sup>2</sup>.

3. A new dimension to the question under consideration is the High Commissioner's call to consider refugees in a broader development context, especially as they relate to local host communities, and to tap the development potential of refugees. As explained more fully in this paper, the High Commissioner has proposed that if refugee situations are seen in this broader and longer-term perspective, certain activities in their favour should benefit from development assistance.

II. FIELD-BASED PARTNERSHIP INITIATIVES

4. Partnership initiatives at field level have included both bilateral and multilateral endeavours.

A. Japan International Cooperation Agency/United Republic of Tanzania

5. The most recent example to date of bilateral initiatives is that of UNHCR's partnership with the Japan International Cooperation Agency (JICA), which is currently being piloted in Kigoma region, United Republic of Tanzania. The overall objective of UNHCR and JICA is to learn from each other and thus be better equipped to fill the relief to development "gap". Specific objectives for the pilot project in the United Republic of Tanzania are to contribute to alleviating the social and

---

<sup>1</sup> See High Commissioner's letter of 4 April 2001, addressed to the Chairman of the Executive Committee.

<sup>2</sup> Global Consultations on International Protection: Draft Report of the First Meeting on the Third Track (EC/GC/01/8).

economic impact of the massive refugee populations in the western part of the country, and to ensure sustainable development following the voluntary repatriation of the refugees and of UNHCR's eventual withdrawal.

6. To achieve these objectives, JICA and UNHCR conducted a joint preliminary study of the health and water supply sectors and formulated projects together. These proposals were then submitted for funding by the Government of the United Republic of Tanzania and by several NGOs to the Government of Japan's Grant Aid scheme and to JICA's Community Empowerment Program Scheme. Funding would go directly to the Tanzanian Government and/or to selected NGOs, since responsibility for project implementation would be theirs.

7. To date a Grant Aid application for the rehabilitation of Maweni Regional Hospital in Kigoma has been sent to the Government of Japan and is under consideration by JICA in Tokyo. The rehabilitation of this hospital, which is a referral hospital for the entire Kigoma region, will benefit the local population as well as the refugees who use it. JICA has also approved an application from a NGO (Christian Outreach – Relief and Development (CORD)) for the rehabilitation and upgrading of the health system in Kasulu District, Kigoma Region, under the community empowerment programme scheme being implemented by this organization.

8. In addition, within the defined collaboration framework, the JICA/UNHCR partnership has mobilized support for three grassroots projects in Kigoma Region through the generosity of the Embassy of Japan in Tanzania. These projects concern rehabilitation and equipment of dispensaries as well as rehabilitation of water supply systems in the area.

#### B. Zambia

9. Based on the encouraging experience of the Tanzanian pilot, UNHCR will continue to seek to catalyse development support for refugee hosting areas in other countries, through JICA as well as through other bilateral development donors.

10. One venture concerns Zambia and is being pursued with the assistance of the United Nations Office for Project Services (UNOPS). The collaboration focuses on Zambia's Western Province, where the continuing presence of large numbers of refugees – and of increased arrivals in recent months – has clearly stretched to the limit the already precarious infrastructures in and around campsites. Infrastructure projects being studied, such as rehabilitation of roads and bridges, and the extension of education and health services to local communities, should also help sustain the momentum of goodwill extended by Zambia to the refugees.

11. UNHCR's collaboration with UNOPS is based on complementarity: UNOPS' technical expertise and experience in the development of infrastructural projects complementing UNHCR's presence in the country, its access to information, and ability to assess the situation on the ground.

12. The first phase of this initiative will culminate in a mission organized with the Government of Zambia to which interested bilateral development donors will be invited. The mission is intended to jointly study proposed infrastructural projects in Zambia's Western Province. These projects would then be presented by the Government of Zambia to donor governments for bilateral funding.

### III. ADVOCACY IN POLICY FORA

#### A. United Nations Development Group (UNDG)

13. In an effort to bring the issue of social and economic impact closer to the mainstream of the development agenda, UNHCR has strengthened its cooperation with UNDG, participating in February 2001 in an ad hoc meeting attended by WFP, UNDP, DGO, UNIFEM, Habitat, UNICEF, UNOPS and DESA. The social and economic impact of large-scale refugee populations on host developing countries was at the heart of the debate, focusing on how UNDG agencies and UNHCR can combine their efforts to link humanitarian assistance relief and long-term development.

14. For its part, UNHCR has advocated joint analysis and planning at the earliest stage, notably through the Common Country Assessment (CCA) process, in an attempt to anticipate and address needs linked to the presence of large-scale refugee populations and their impact on a country's development capacity. The presence of refugees can also offer some advantages, if refugees are given the tools and means to be self-reliant and become active participants in the development of the local economy. The CCA therefore offers a window for advocacy that UNHCR must continue to utilize. The CCAs for the United Republic of Tanzania, Zambia, and the Republic of Congo already cite the social and economic impact of massive refugee populations as detrimental to development capacity. Those of other countries hosting refugees do not yet make this link. This is evidence that more advocacy needs to be done on UNHCR's part.

15. Representatives of the various multilateral development agencies also underlined the necessary role that host governments need to play. It was felt, in general, that donors are reluctant to make commitments to the high costs arising from the social and economic impact of massive refugee populations on host societies. As resources are more likely to be available through bilateral development programmes, host countries need to place this issue on their development agenda, as was the case of the Government of the United Republic of Tanzania for the Maweni Regional Hospital rehabilitation project.

16. In view of the recognized complexity of measuring social and economic impact in quantitative terms, UNHCR has proposed that the Working Group on Quantification of Risk, Vulnerability and Impact of Disasters (under UNDP) might expand its mandate to include the quantification of the impact of man-made disasters and/or massive population displacement<sup>3</sup>. UNHCR will also continue to work closely with other agencies at the country level in preparing CCAs, UNDAF's and relevant joint programmes.

#### B. Third United Nations Conference on Least Developed Countries

17. As part of its advocacy role, UNHCR has taken an active part in preparations for the Third United Nations Conference on Least Developed Countries (LDCs), which took place in Brussels on 13-20 May 2001. In addressing this event, the High Commissioner called for some fundamental rethinking as to how the international community might best assist host countries to take care of refugees, especially in the LDCs, so as to involve refugees in taking care of themselves and as contributors to the development needs of LDCs. He observed that the issue of refugees was not peripheral to, but part of the development needs of LDCs, impacting on the local populations of these countries. They should not be considered only as recipients of humanitarian aid, but as having a potential to contribute to peace-building that could bring resources including development funds. He pointed out that in many LDCs, development would not be possible without making use

---

<sup>3</sup> The issue of recognizing host country contributions within UNHCR's reports on activities is also currently under discussion within the Standing Committee.

of the human capacity of refugees and internally displaced persons (IDPs) to help with the development challenge.

18. In an effort to lessen the burden on host developing countries, this new thinking needed to be reflected in multilateral and bilateral development systems, especially their funding mechanisms and practices. LDCs needed to take ownership of this issue and tap the development potential of refugees. Relevant ministries in donor countries need to look at the refugee issue in the longer-term and provide resources accordingly. The High Commissioner therefore proposed that development funds should allocate a modest percentage to the inter-related issues of refugees, internally displaced and affected local populations. In particular, the LDCs should make full use of the existing arrangements under the Partnership Agreement between African, Caribbean and Pacific States and the European Community and its Member States (ACP-EU), which included provisions for addressing the needs arising from the displacement of people.

19. As a specific example of cooperation at inter-agency level, a proposal was put forward by FAO and UNHCR which focused on the important role of women in rural areas in producing staple crops in LDCs. Both agencies proposed a trust fund project to facilitate and promote the role of women in LDCs, including returning refugee/internally-displaced women as agents of food security. The project, to be funded through resources sought from interested donors and made available through a special Trust Fund to be managed by FAO, would be jointly directed by FAO and UNHCR, in co-operation with national bodies, including NGOs, other relevant United Nations agencies and bilateral agencies of donor countries. It would have distinct, yet related components, focusing on land rights, empowerment of women, and food production. It is estimated that implementing projects to achieve the objectives of the Trust Fund in 3-5 years would require US\$ 50 million.

20. UNHCR will be following up on this and other results of the Conference in areas that relate to its mandate, especially at country level, based on specific elements in the global Plan of Action of the LDC Conference.

#### IV. FURTHER STEPS

21. Building on the action outlined above, further proactive steps are being planned to complement and strengthen those already underway.

##### A. Protracted refugee situations review

22. A review of protracted refugee situations is underway, using earmarked funding<sup>4</sup>. Its objective is to provide UNHCR with the necessary knowledge and tools to help address protracted refugee situations, and thereby respond more effectively. The review will examine through case studies the extent and nature of the problems encountered of response strategies, e.g. livelihood/self-reliance approaches and community development strategies. The latter will include income-generation, productive and marketing activities, skills development and the durable community development and ownership approaches. Special attention will be devoted to capturing models of long-staying populations offering positive aspects. An expected output of this review is a field guide and a policy document on how to respond to protracted refugee situations.

---

<sup>4</sup> See EC/51/SC/CRP.19, para.19.

## B. Empowerment of people

23. In the LDC Conference, the High Commissioner's sought to recast refugees as agents of development. Refugees, who are able to be productive and have the capacity to manage their lives through socio-economic interactions with their host population, can become agents of local development rather than being perceived as a burden. They also become better prepared upon repatriation, to re-integrate more successfully and start contributing to the reconstruction and peace-building process of their country of origin. In line with UNHCR's approach to community development, as discussed by Standing Committee at its 20<sup>th</sup> meeting<sup>5</sup>, efforts will focus on developing refugees/returnees' own potential as active partners in search of durable solutions for themselves and their communities. This will build on best practices as observed in the ongoing women's empowerment programmes. Empowerment of people takes the community development approach to a new level of specificity in that refugees, returnees and hosting communities together are encouraged to take ownership of the programmes and the search for solutions, with the joint support of humanitarian and development actors. It promotes community organization and self-reliance and builds up the capacity of people to respond to their own needs and fully contribute to the development of the hosting areas, integrating activities into local and national development plans.

## V. CONCLUSION

24. As conflicts are increasingly of intra-state and protracted nature, they systematically degrade normal political and economic systems and devalue human and social capital. This leaves major long-term challenges for the eventual post-conflict period. Evolving and protracted refugee situations pose equally challenging environments. Refugees, especially in large numbers, put enormous strain on local resources of the hosting country. On the other hand, refugees bring human and material assets and resources and they could become actors in the local development if, through the promotion of empowerment leading to self-reliance, they were given the tools to do so. However, there is a need for a concerted effort between governments, development and humanitarian actors to create a conducive environment, allowing socio-economic interactions between refugees/returnees and local populations. Only then can they become self-reliant and active actors of the local socio-economic development. This requires a comprehensive approach from governments, donors, UN agencies and development actors, private sector and UNHCR, aiming at including refugees into national development planning at an early stage. In support of such an approach, UNHCR will continue to reinforce its partnership experience, and advocate joint planning and programming with development actors.

---

<sup>5</sup> EC/51/SC/CRP.6