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

I. RECALLING THE PROBLEM

1. The multifaceted impact of massive refugee populations on host developing countries have been on the agenda of the Executive Committee of the High Commissioner's Programme since 1983. The Executive Committee has taken a renewed interest in the subject over the last two years in the context of international solidarity and burden-sharing. The recent emergencies in the Great Lakes region of Africa and in the Balkans have further highlighted this issue and brought into sharp relief the “gaps” in the response of the international community to such impact.

2. The heavy price that major refugee hosting countries, which are among the least developed, have to pay in granting asylum to refugees is now widely recognized. Yet, the rhetoric on international solidarity and burden-sharing rarely translates into tangible support to refugee-affected areas. The international response has been uneven and often driven by political and economic considerations on the part of many donors. If not adequately addressed, such gaps may hamper the development of the host areas, while seriously jeopardizing the “institution of asylum”.

3. In the past two years, two conference room papers on this topic were presented to the Standing Committee. The first reviewed the nature and scope of the impact of refugees in different situations as well as the achievements and constraints encountered so far. It was submitted to the sixth meeting of the Standing Committee in January 1997. The second paper, presented at the thirteenth meeting in September 1998, examined some case studies and reviewed the constraints that need to be overcome in undertaking quantitative impact assessments.

4. The present conference room paper, which goes beyond technical impact assessment exercises, will attempt to explore some “preventive” and “curative” measures that could be considered by the Standing Committee, including the critical issue of funding. It should be read in conjunction with those mentioned above, in particular the first (EC/47/SC/CRP.7), which extensively examined the various dimensions of the problem.

II. PRINCIPLES AND LESSONS LEARNED

5. As from the early 1980s, UNHCR, together with the Executive Committee, has attempted to organize an integrated response that seeks to promote refugee self-reliance and facilitate their local integration, in the context of what has become known as the “refugee aid and development” approach, while at the same time addressing the basic needs of the host communities, compensating for some of the adverse impacts on the local physical and socio-economic infrastructure, and increasing the absorption capacities of the hosting areas.

---

1 Social and Economic Impact of Large Refugee Populations on Host Developing Countries (EC/47/SC/CRP.7).
2 Economic and Social Impact of Massive Refugee Populations on Host Developing Countries, as well as other Countries: A Quantitative Assessment on the Basis of Special Case Studies (EC/48/SC/CRP.40).
6. In 1984, the Executive Committee, at its thirty-fifth session, considered a document entitled *Principles for Action in Developing Countries* (A/AC.96/645 Corr.1). Two of these principles addressed in a very explicit manner the subject of this conference room paper, including the roles of the recipient countries, UNHCR and developmental partners in specific situations. They are as follows (emphasis added):

“(l) Where the need for developmental projects is conceived for the benefit of both refugees and substantial numbers of local people with similar needs, UNHCR should, in consultation with the host government, invite a developmental organization - intergovernmental, governmental or non-governmental - to provide its services for the formulation, appraisal, negotiation and supervision of appropriate projects. These would normally be implemented by, or under the responsibility of, the host government, where necessary with the assistance of suitable executive organizations which might be non-governmental; such organizations should be brought in as early as possible. UNHCR could provide its good offices for the financing of such projects, and would need to follow them to ensure that the refugees benefit as planned.

(m) Development projects aimed essentially at repairing or improving a host country’s economic or social infrastructure to help it cope with the presence of refugees, but which do not directly benefit significant numbers of refugees, should as a rule, be handled by UNDP and/or other developmental organisations including NGOs. Where such projects provide durable income-earning opportunities for refugees, UNHCR could contribute to their financing in proportion to the number of refugees among the beneficiaries.”

7. On the basis of these principles and within the refugee aid and development approach, multi-year area-based projects, aimed at addressing some of the negative impacts caused by the refugee presence and creating income-generating opportunities for both local and refugee communities, were initiated in several countries, including Pakistan, the Islamic Republic of Iran, Sudan, Malawi and the United Republic of Tanzania.

8. The design and implementation of these rehabilitation projects typically involved both multilateral and bilateral agencies such as the World Bank, International Fund for Agricultural Development (IFAD), United Nations Development Programme (UNDP), German Ministry for Economic Cooperation (BMZ) or the European Union in joint ventures with the relevant line departments of the target countries and UNHCR, whose role was essentially catalytic. More recently, assessments of the impact of refugees were conducted in Côte d’Ivoire (1998) and Albania (1999).

9. With the exception of the three-phased Income-Generating Projects for Refugees Areas (IGPRAs) in Pakistan, which received strong and consistent donor support, the implementation of these projects has been severely constrained by the shortage of funds. These gaps in funding can be attributed to factors such as:

   (a) political and economic interests of the donor countries; and

   (b) differences in expectations as to the source of funding for such projects, with host countries expecting the principle of “additionality” to apply in the name of the international burden-sharing, and donor countries expecting these projects to be incorporated into and funded as part of national development programmes.

10. Funding of impact-related projects in host countries remains an issue that needs to be addressed by the international community. Technically, the lessons learned from the experiences gained in Pakistan (IGPRA) and the Islamic Republic of Iran (South Khorassan project) revealed that these two models can be replicated in other similar situations, subject to appropriate adaptations. In essence, the problem is less technical than political and financial. It is also less humanitarian than developmental.

III. THE WAY FORWARD

11. Within the above-mentioned parameters, a renewed strategy towards addressing refugee-related impacts on host countries in a more systematic and predictable manner can be articulated along the following lines:
(a) Firstly, giving importance at the planning stage to preventive measures designed to mitigate the negative impact of refugee inflows. The presence of development partners at the earliest stage of emergency situations and the proper design of refugee assistance projects that duly integrate “impact” concerns are among measures which would greatly contribute to the mitigation of the negative impact.

(b) Secondly, in accordance with its catalytic role and in partnership with development agencies, such as the World Bank, UNDP and regional development banks (African Development Bank, Asian Development Bank, etc.), UNHCR would extend its technical support to the governments of the host countries in the following areas:

more systematic socio-economic and environmental impact assessments, as basis for the design of related refugee aid and development projects. Involvement of interested donors in these exercises should be sought at the earliest stage in order to secure sustained support throughout the project development process; and

increased efforts to mobilize “additional” resources for funding these projects through direct financing by multilateral and bilateral development partners, ad hoc donor meetings and appeals. Host governments should also be encouraged to systematically include refugee impact-related rehabilitation programmes as an integral part of the Country Assistance Programmes they present to the UNDP-led Roundtables, World Bank-led Consultative Group meetings and other development fund-raising fora.

12. The “Brookings” process, jointly initiated by the High Commissioner and the President of the World Bank to address the institutional and funding gaps in post-conflict situations, can provide an appropriate framework for again drawing the attention of the international community to the issue. The regional dimension and spillover effects of conflicts, including the impact of displaced populations on host countries, are among the considerations that led the actors involved in the Brookings process to opt for a “situational” approach in addressing the gap concerns.

13. An ad hoc (half-day) meeting could be convened by UNHCR for those members of the Standing Committee who are interested in discussing further the proposed approach. This meeting, which could involve, inter alia, the World Bank and UNDP, would also provide an opportunity to share the lessons learned from experiences in Pakistan, the Islamic Republic of Iran and the Great Lakes region of Africa with members of the Standing Committee.