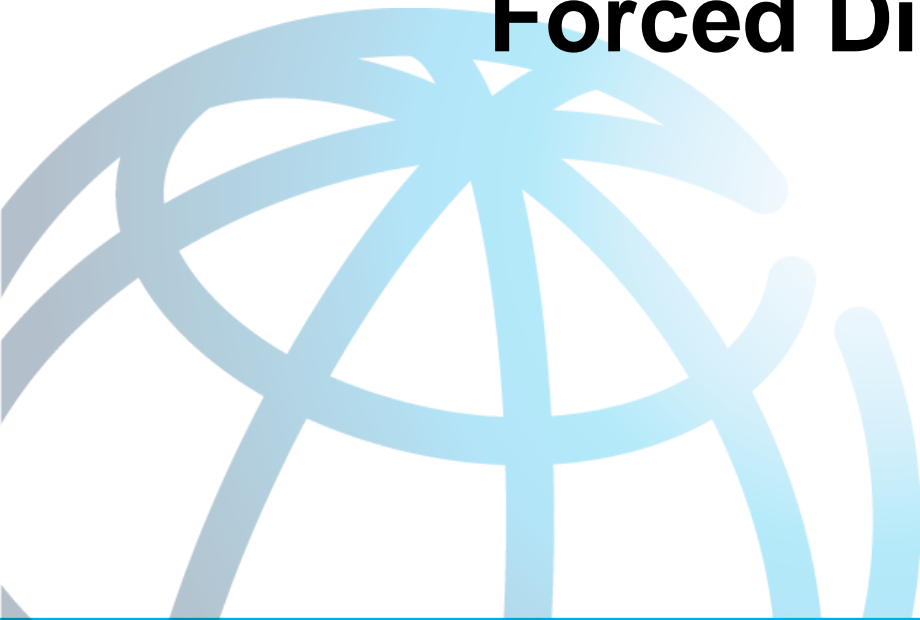




**WORLD BANK GROUP**

# **A Development Response to Forced Displacement**



There presentation aims to support a discussion with stakeholders during a presentation in Geneva

**It is not an official World Bank Group document**

**It is not for dissemination or quotation**

There is a consensus that forced displacement requires not only a humanitarian response, but also a development response...

**...but what should such a development response actually entail?**

**...and how do we change the way we work?**

This presentation is based on a report prepared by the World Bank Group, in close cooperation with the United Nations High Commissioner for Refugees (UNHCR):  
*"Forcibly Displaced"* ([www.worldbank.org/forciblydisplaced](http://www.worldbank.org/forciblydisplaced)).

# Outline

- 1. The scope of the crisis**
- 2. A model in crisis**
- 3. A development approach**
- 4. Financing instruments**
- 5. The development response at work**

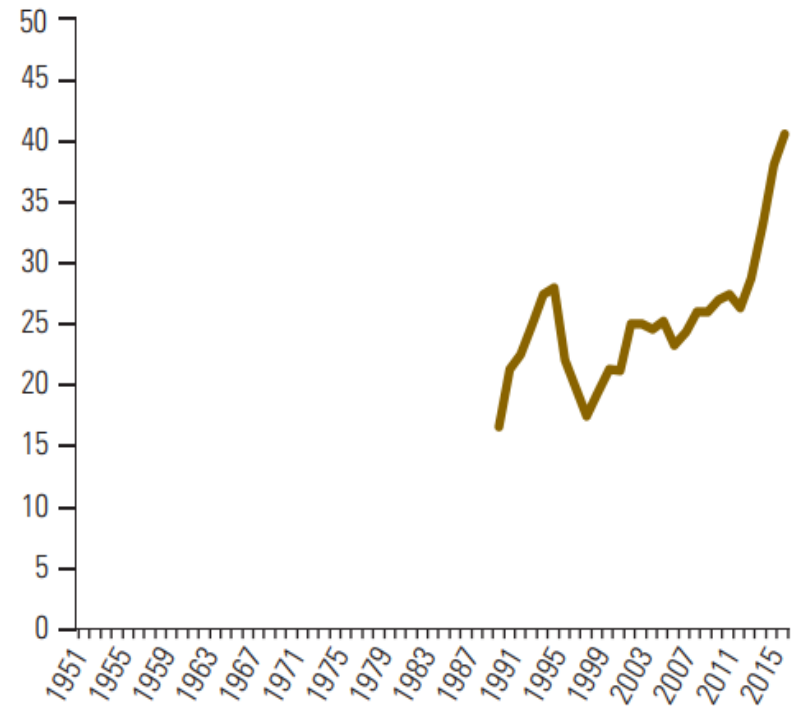
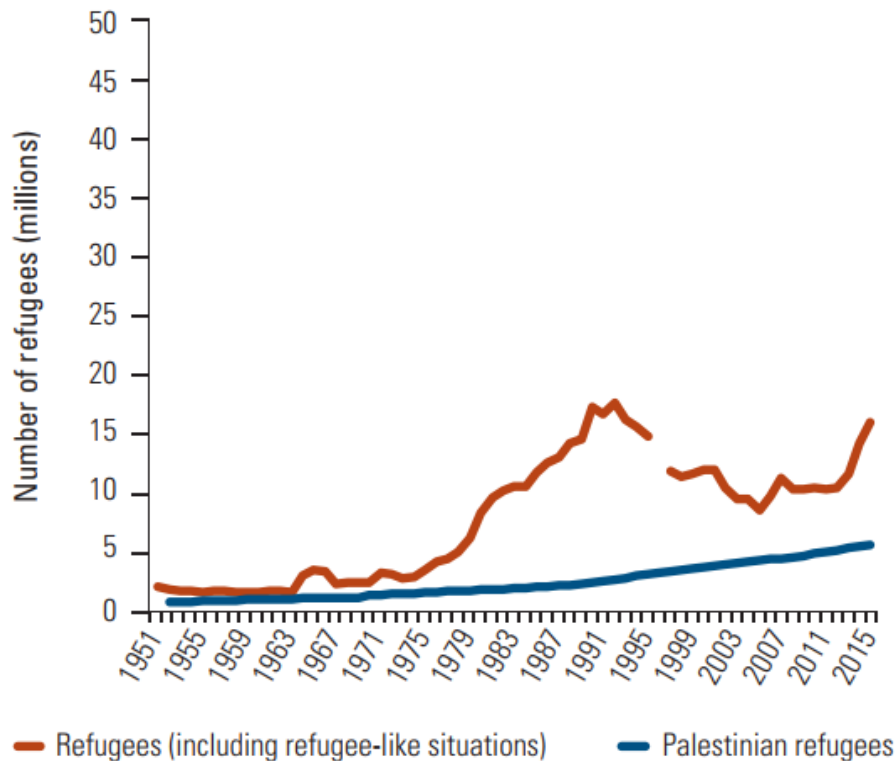


# The scope of the crisis

# About 65 million people

The second-largest refugee crisis since World War II...

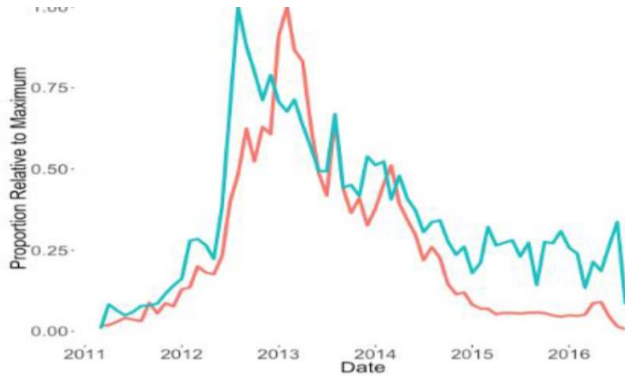
... and a surge of internal displacement



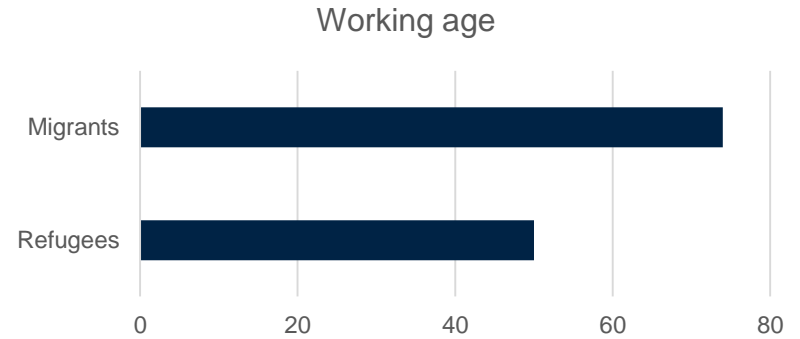
# Migrants vs. forcibly displaced

Refugees seek safety, economic migrants seek opportunities

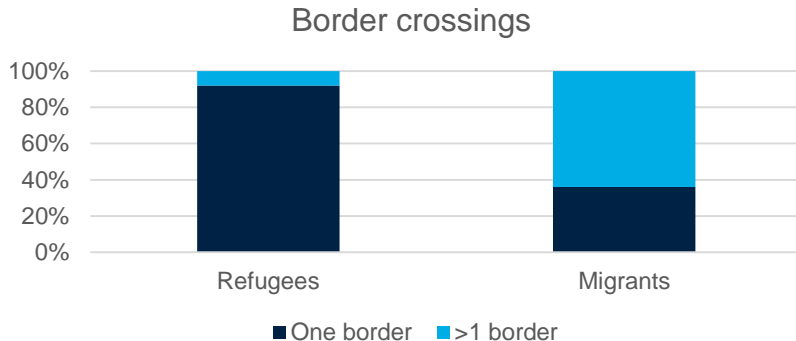
War deaths and refugee outflows from Syria



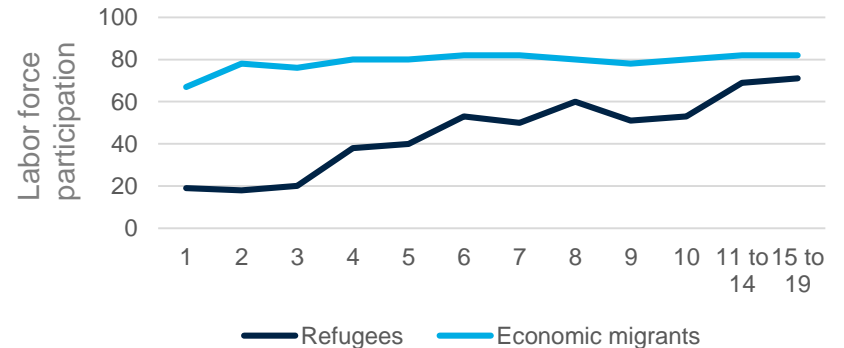
Refugees are largely children, economic migrants are of working age



Most refugees cross only one border, economic migrants move far away

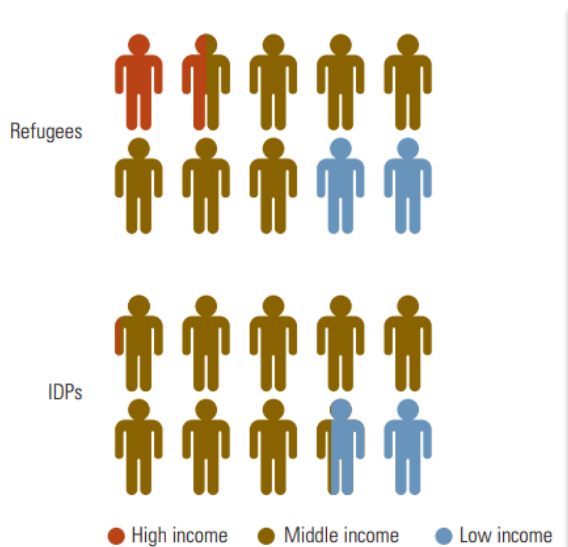


20 years for refugees to catch up with economic migrants in the EU !

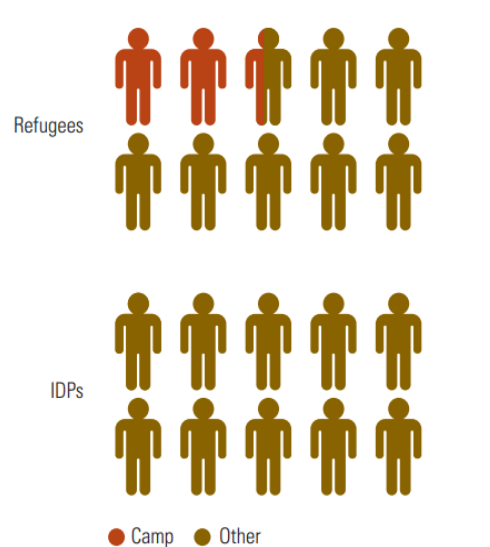


# A crisis in the developing world

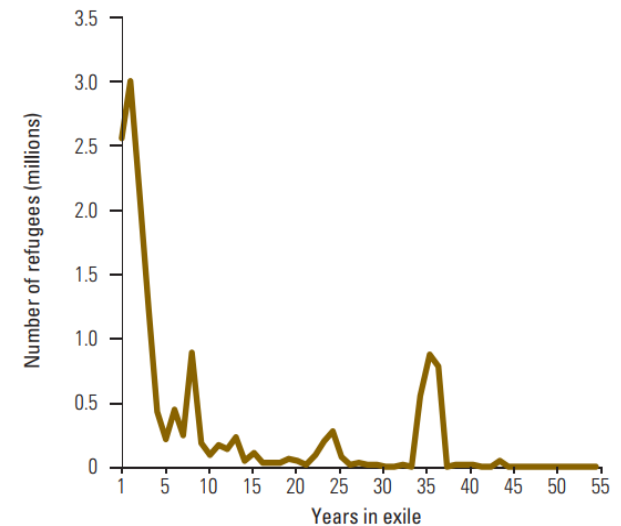
Low- and middle-income countries host most of the displaced



94% of forcibly displaced persons live outside camps



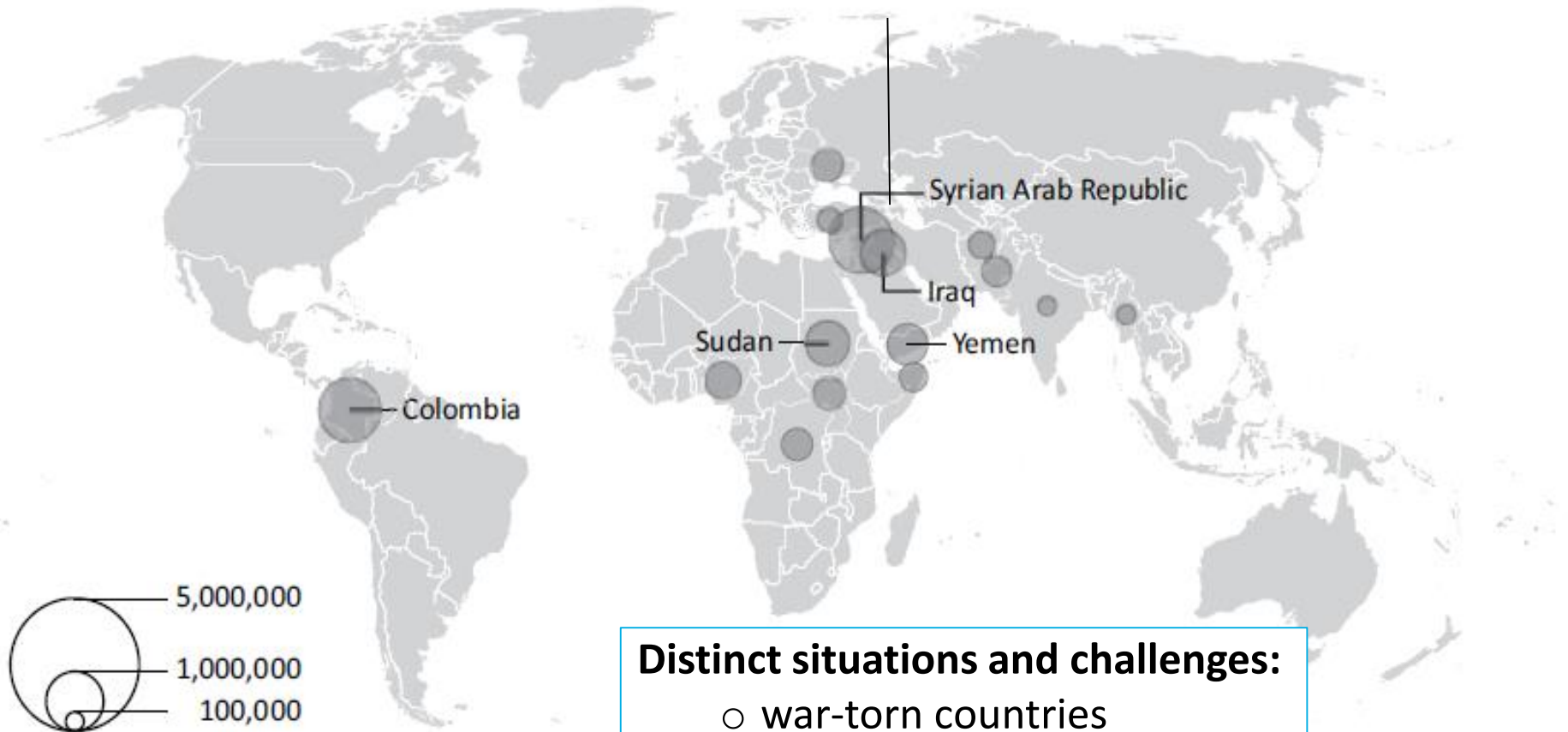
Half of the refugees have been in exile for more than four years (2016)





# The case of IDPs

No evidence that IDPs become refugees when situations become protracted



## Distinct situations and challenges:

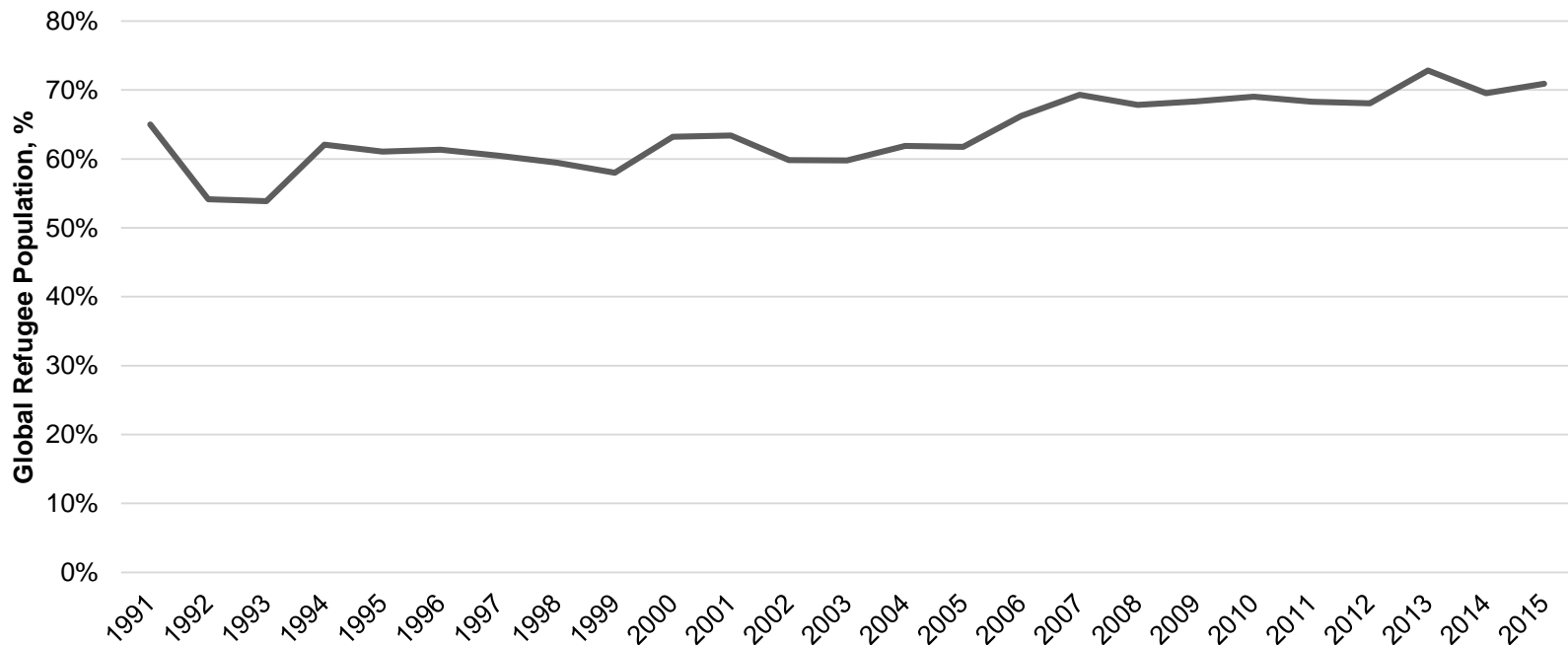
- war-torn countries
- unstable regions
- stable environments



# A model in crisis

# An uneven sharing of responsibilities

- The same ten conflicts have caused the majority of forced displacement every year since 1991
- The same neighboring countries have hosted the majority of refugees every year since 1991

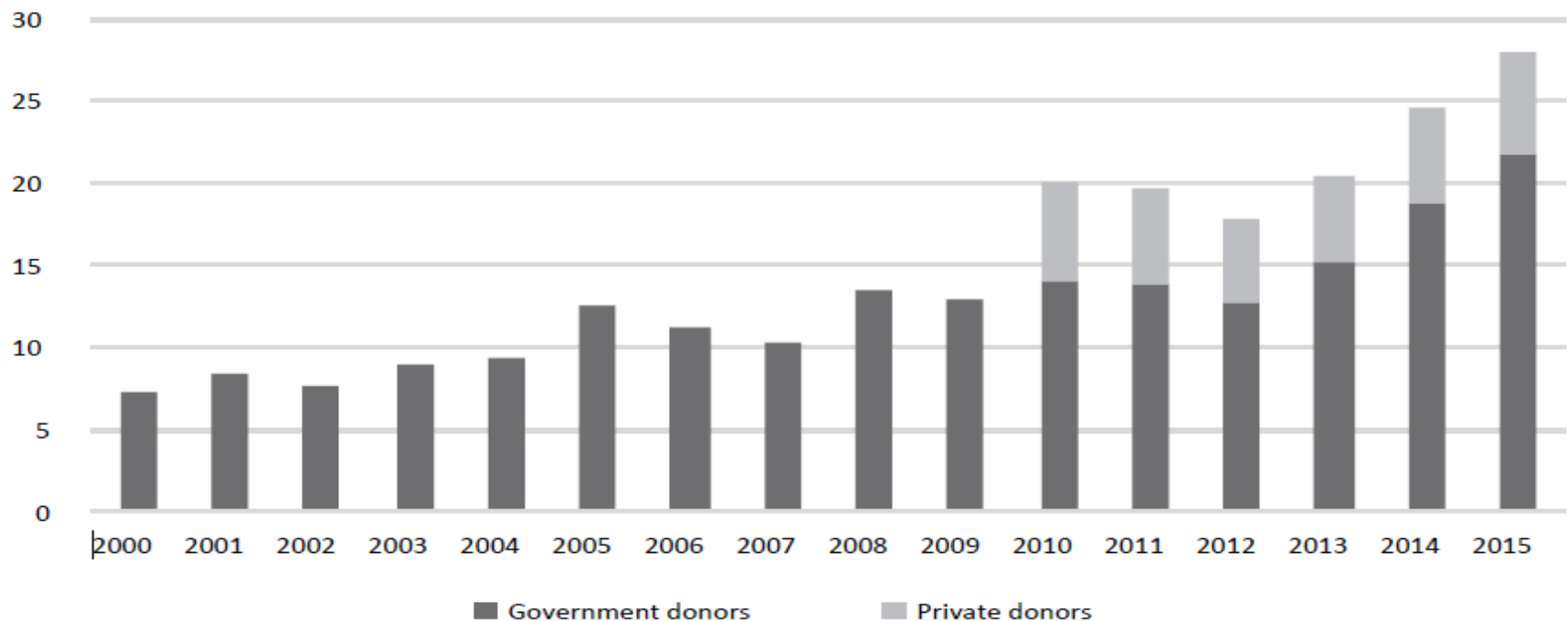


Afghanistan, Azerbaijan, Burundi, Colombia, Democratic Republic of Congo, Iraq, Somalia, Sudan, Syria, Former Yugoslavia

# Too costly to be sustainable

- Humanitarian financing: \$28 billion and growing
- 89% for crises > 3 years, 66% for crises > 8 years
- A narrow donor base

Humanitarian assistance, 2000-2015 (US\$ billion)



# A window of opportunity

## **In refugee-hosting countries**

Some countries implementing new approaches

## **The Global Compact on Refugees**

A once-in-a-generation opportunity to reshape the agenda

## **Tailoring responses to each country context**

No one size fit all: pragmatism, patience, and realism are key

## **The persistent issue of responsibility-sharing**

Towards measuring contributions to underpin a global conversation



# A development approach

# A development lens

- Anchored in poverty reduction mandate
  - Part of development effort: SDGs, 2030 Agenda ('leave no-one behind')
- Part of a broader response
  - Seek complementarity with security, diplomatic, and humanitarian actors
- Leveraging development institutions' comparative advantage
  - Financing, analytics, access

**Focus on medium-term, socio-economic dimension of the crisis – to help both the forcibly displaced and their host communities**

# Supporting the displaced and their hosts

## The displaced are distinct from other poor

- Specific vulnerabilities: loss of assets, trauma, lack of rights, lack of opportunities, short planning horizon
- Help offset specific vulnerabilities, both while in exile and through long-term solutions

## The hosts are not only hosts, but also developing communities

- Inflow of people as a shock, outcome depends on initial conditions, size/nature of the shock, and response
- Help host communities pursue their own development agenda in a transformed environment



# Government leadership & policies and institutions



# Different phases of the crisis

## Before the crisis

- Managing violence and uncertainty, weighing the risks of staying vs. leaving
- Refugees and IDP flows can often be forecast
- In any situation, most people stay behind

## During the crisis

**Hosts:** Impacts are mainly local:

- Exacerbating pre-existing challenges (security and growth)
  - Distributional impacts (jobs, prices)
  - Strained capacities (services, natural resources)
  - Restricting rights of displaced does often not help the hosts
- Displaced persons:**
- Initial shock (catastrophic losses and trauma)
  - Unfavorable environment for recovery (rights, location, planning horizon)
  - Two keys to recovery: jobs, education
  - Women and girls face particular challenges, including gender-based violence

## Toward solutions

- Solution: not only location, but overcoming specific vulnerabilities
- Some returns, others don't, proportions vary
- At stake: sustainable return, integration or inclusion

# Key elements of a development agenda

## SUPPORT A GOVERNMENT-LED AGENDA

### Data and evidence

### Preparedness

### During the crisis

- Address long-standing development issues
- Jobs, private investment, right to work and freedom of movement
- Education, service delivery, and country systems
- Area-based development
- Gender

### Towards solutions

- Support returnees and return communities
- Help shrink situations of “lasting limbos”



# Financing instruments

# Global Concessional Financing Facility (GCFF) and IDA18 Refugee Sub-Window

## Rationale

- Mismatch between IBRD's and IDA's country-based financing model and the fact that refugees do not live in their country

## Focus

- **For medium- to long-term investments** that benefit refugees and host communities in refugee-hosting countries, to:
  - Mitigate shocks and create socioeconomic opportunities
  - Facilitate sustainable solutions
  - Strengthen preparedness

## Eligibility criteria

- > 25,000 refugees and / or 0.1 percent of population
- Adequate protection framework
- Government strategy towards long-term solutions for refugees / hosts

# Middle-Income Countries: IBRD

## The way it works

- IBRD borrowing on financial markets (with AAA) and on-lending to client countries
- Key = need for IBRD to repay its lenders

## Typical lending terms

- 10 years, LIBOR + 100 bp (~3.5 percent) interest
- Terms to be adjusted to each country's GDP / capita
- Key issue for most countries = concessionality

# The GCFF

## Motivation

- Provide increased concessionality to support governments in addressing the development needs of refugees and host communities

## A Financial Intermediary Fund

- Trust Fund financed by donor countries
- Open to several Multilateral Development Banks: IBRD, EBRD, IsDB, etc.
- Initially for Jordan and Lebanon, possibly extended to other situations

## Terms

- Regular loan + grant (“buying down to IDA”): leverage
- Concessionality element approved by Steering Committee on a case by case basis (also depending on “refugee content”)

# Low-Income Countries: IDA

## The way it works

- A set envelope for 3 years (July 2018 to June 2021), financed by donors and repayments
- Use of resources determined by “IDA Deputies”: country allocations (performance and population) + windows for “beyond country-level” issues
- Key = trade off across possible uses

## Regular credit terms

- 38 years, 6 years of grace, 0 percent interest
- Key issue for most countries = volume
- Terms adjusted to each country’s debt situation:
  - Low risk of debt distress: 100% credit
  - Moderate risk of debt distress: 50-50% grants/credits (and – 10%)
  - High risk of debt distress: 100% grants (and – 20%)



# The IDA 18 Sub-Window

## Motivation

- Provide increased volume and grant element to support governments in addressing the development needs of refugees and host communities

## Increased volume

- Total amount to be allocated: \$2 billion (commitments, over 3 years)
- Additional allocations to host countries (over and above country envelope), based on number of refugees
- Subwindow finances 5/6 of projects, 1/6 to come from national allocation

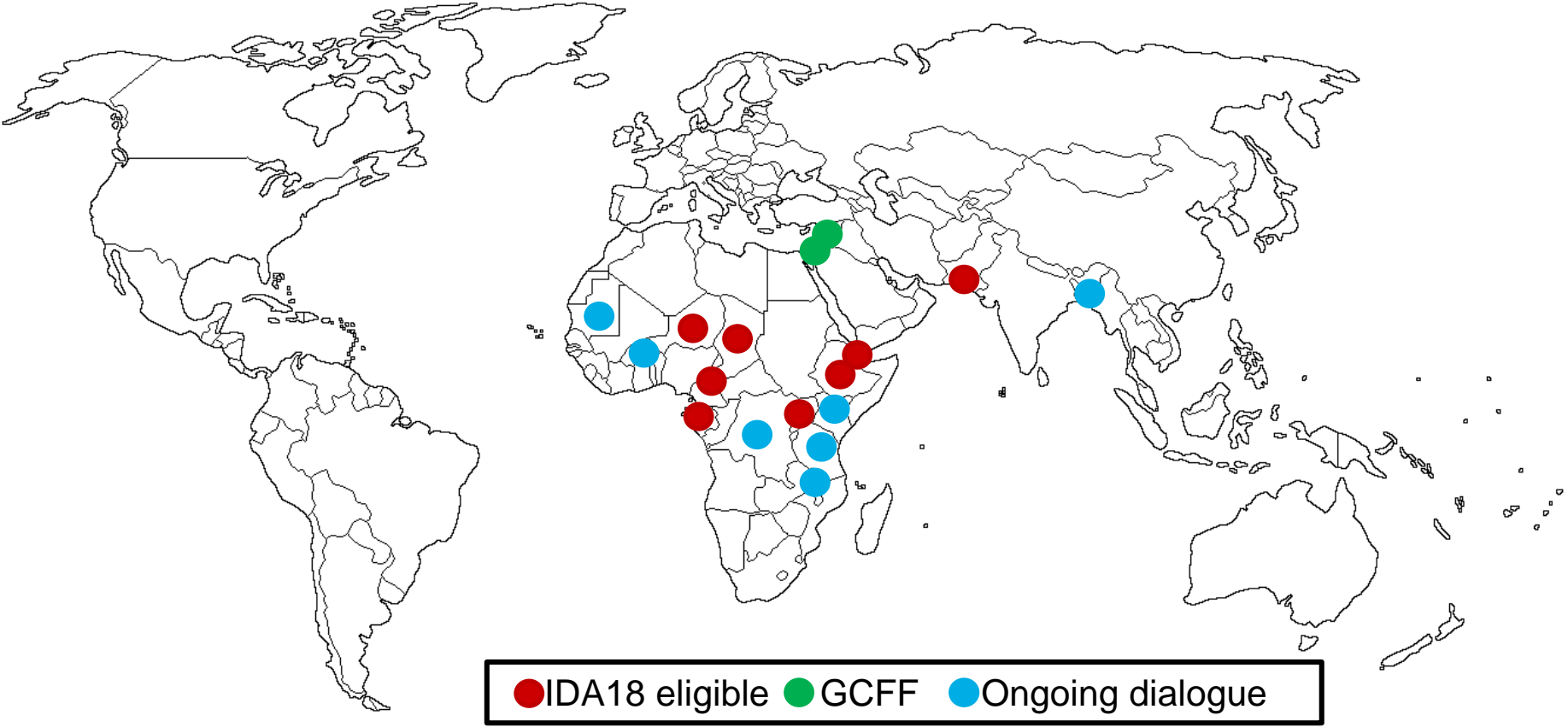
## Grant element

- High risk of debt distress: 100% grants;
- Moderate and low risk of debt distress: 50-50% grants/credits;
- If targets only refugees, 100% grants can be considered



**The development response at work**

# Engaging with host countries



# Working in partnership with UNHCR

## About mutual influence, not funding:

Distinct mandates, but space for synergies  
Learning from each other  
Consistent dialogues with the Governments

## Strategic engagement:

World Bank part of the CRRF secretariat  
Upcoming Joint Data Center  
MDB Platform

## Operational level:

Evidence-building  
Joint planning at country level including for GCFF and IDA18 window

# Complementing humanitarian action

## Defining the focus of our work:

- Define what we are trying to achieve in a given context is critically important but complex
- Policy reforms and institutional adjustments are key

## Working with humanitarian actors:

- CRRF as a powerful framework: government leadership, partnership
- Transition from humanitarian to development needs to be managed: from food to cash, from external delivery to country systems
- Planning needs to incorporate medium-term prospects from inception
- Cooperation can work, in spite of different mandate, approaches, etc.

## Managing expectations:

- There will be an amount of learning by doing

# Common approaches

## **Shifting from crisis response to risk management:**

Develop an effective approach to manage repeated inflows over the medium-term, including through policies and institutions.

## **Supporting host communities and lagging regions:**

Need to address challenges that may exacerbate pre-existing conditions in host communities

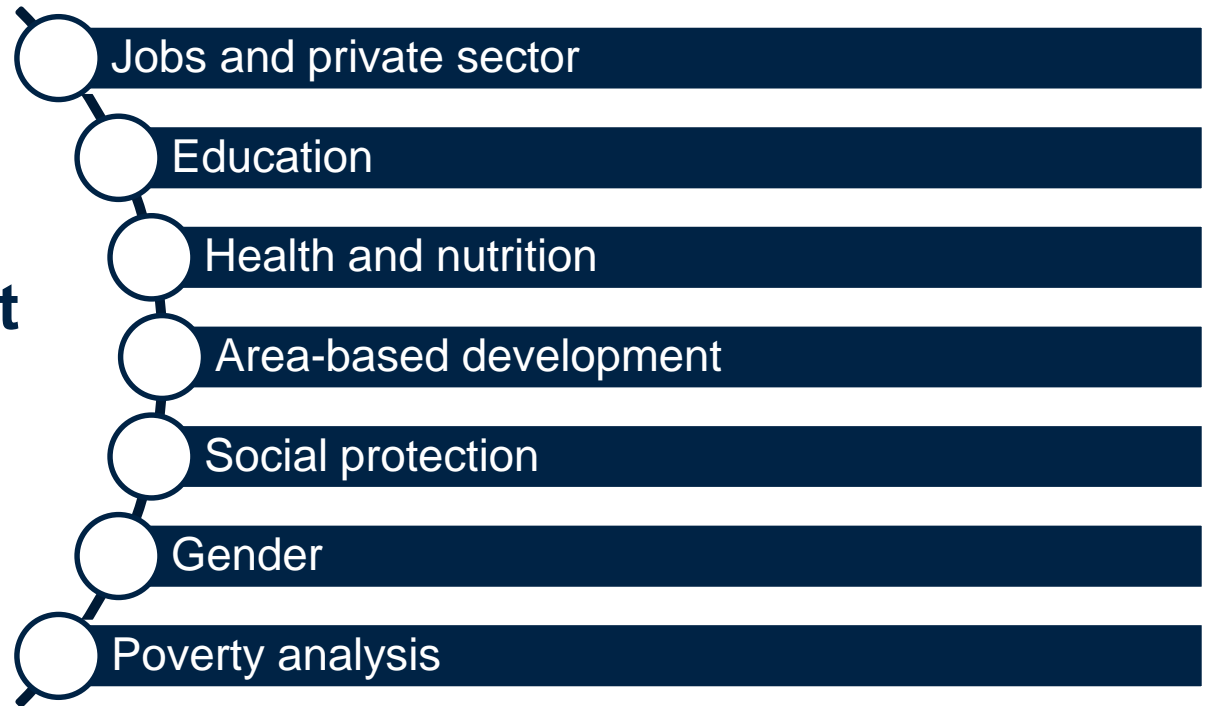
## **Moving towards a degree of socioeconomic inclusion:**

Inclusion is essential in allowing for dignity and self-reliance, preventing the emergence of poverty traps, and preparing for durable solutions.

## **Supporting both regional and country-level approaches:**

Need to reflect not only domestic constraints and political debates, but also developments in neighboring countries as well as regional initiatives

## Main Engagement Areas



## “New” Areas





Thank you